

JUL 9. 1923

COMMONWEALTH OF AUSTRALIA. *Parliament*

PARLIAMENTARY DEBATES.

SECOND SESSION, 1917-18.

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SEVENTH PARLIAMENT:

SECOND SESSION.

Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

Australian National War Government.

(From 17th February, 1917, to 8th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C.
Minister for the Navy	..	The Right Honorable Joseph Cook, P.C.
Treasurer	..	The Right Honorable Sir John Forrest, P.C., G.C.M.G.
Minister for Defence	..	The Honorable George Foster Pearce.
Vice-President of the Executive Council	..	The Honorable Edward Davis Millen.
		<i>Succeeded by</i>
Minister for Repatriation	..	The Honorable Littleton Ernest Groom (16th November, 1917).
Minister for Works and Railways	..	The Honorable Edward Davis Millen (from 28th September, 1917).
Minister for Home and Territories	..	The Honorable William Alexander Watt.
Minister for Trade and Customs	..	The Honorable Patrick McMahon Glynn, K.C.
Postmaster-General	..	The Honorable Jens August Jensen.
Honorary Minister	..	The Honorable William Webster.
Honorary Minister	..	The Honorable Littleton Ernest Groom.
Honorary Minister	..	The Honorable Edward John Russell.

Australian National War Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C.
Minister for the Navy	..	The Right Honorable Joseph Cook, P.C.
Treasurer	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
Minister for Defence	..	The Honorable William Alexander Watt (27th March, 1918).
Minister for Repatriation	..	The Honorable George Foster Pearce.
Minister for Works and Railways	..	The Honorable Edward Davis Millen.
		<i>Succeeded by</i>
Minister for Home and Territories	..	The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Trade and Customs	..	The Honorable Patrick McMahon Glynn, K.C.
Postmaster-General	..	The Honorable Jens August Jensen.
Vice-President of the Executive Council	..	The Honorable William Webster.
		<i>Succeeded by</i>
Honorary Minister	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
Honorary Minister	..	The Honorable Edward John Russell (27th March, 1918).
Honorary Minister	..	The Honorable Edward John Russell.
Honorary Minister	..	(Appointed Vice-President of the Executive Council, 27th March 1918).
Honorary Minister	..	The Honorable Alexander Poynton.*
Honorary Minister	..	The Honorable George Henry Wise.*
Honorary Minister	..	The Honorable Walter Massy Greene.*
Honorary Minister	..	The Honorable Richard Beaumont Orchard.*

* Appointed 26th March, 1918.

Senators.

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator John Wallace Shannon.

1 Bakhap, Thomas Jerome Kingston (T.)	Lynch, Hon. Patrick Joseph (W.A.)
Barker, Stephen (V.)	Maughan, William John Ryott (Q.)
Barnes, John (V.)	1 McDougall, Allan (N.S.W.)
Bolton, Lieut.-Col. William Kinsey (V.)	Millen, Hon. Edward Davis (N.S.W.)
Buzacott, Richard (W.A.)	Needham, Edward (W.A.)
Crawford, Thomas William (Q.)	1 Newland, John (S.A.)
De Largie, Hon. Hugh (W.A.)	O'Keefe, Hon. David John (T.)
Earle, Hon. John (T.)	O'Loughlin, Lieut.-Col. Hon. James Vincent, V.D. (S.A.)
Fairbairn, George (V.)	Pearce, Hon. George Foster (W.A.)
Ferricks, Myles Aloysius (Q.)	Plain, William (V.)
Foll, Hattil Spencer (Q.)	Pratten, Herbert Edward (N.S.W.)
Gardiner, Hon. Albert (N.S.W.)	Reid, Matthew (Q.)
Givens, Hon. Thomas (Q.)	Rowell, Col. James, C.B. (S.A.)
Grant, John (N.S.W.)	Russell, Hon. Edward John (V.)
Guthrie, Robert Storrie (S.A.)	Senior, William (S.A.)
Guy, James (T.)	Shannon, John Wallace (S.A.)
Henderson, George (W.A.)	Thomas, Hon. Josiah (N.S.W.)
Keating, Hon. John Henry (T.)	
1 Long, Hon. James Joseph (T.)	

1. Appointed Temporary Chairman of Committees, 12th July, 1917.

land at Liverpool on which a large ordnance store might be erected. I do not see why this matter should be rushed.

Mr. GLYNN.—I assure the honorable member that as early as last February I was asked to hurry the thing on.

Mr. RILEY.—I do not doubt it for a moment. Like the honorable member for Brisbane (Mr. Finlayson), I have heard some nasty things which I do not desire to mention, but I may say that, from what I have heard, I suspect that some of those who are responsible for originating this proposal are interested in land quite close to this site.

Mr. GLYNN.—There is not a tittle of evidence of that.

Mr. RILEY.—I do not say for a moment that the Minister has any evidence of such a thing, and I do not make any charges, but I do say that the Government would be adopting the right course in having an inquiry by the Public Works Committee into the matter, and that certainly would relieve the minds of honorable members.

Mr. GLYNN.—The Acting Prime Minister (Mr. Watt) inspected the site when he was in Sydney.

Mr. RILEY.—He had not the time to inquire as to who owned the land in the vicinity of the site. He merely inspected the site proposed to be resumed. I trust that the Minister will see his way to postpone the further consideration of the Bill. The second reading of the measure has been passed, and there should be no hurry about its consideration in Committee.

Mr. GLYNN.—The passing of the Bill does not necessarily involve the taking over of the site. It only gives us power to acquire it.

Mr. RILEY.—Once the Government have that power, the hands of the Public Works Committee will be tied in connexion with any report on the site, and the buildings to be erected thereon. It will be admitted that a water frontage is a very considerable addition to the charms of a public park, and if another site is selected in this locality for a park, it must be at some distance from the water frontage, which is a special feature of the present park. I think that the Federal Government would not be wise in acting against the State Government, who saw fit to resume this land for a park.

Mr. POYNTON.—The New South Wales Government are not opposed to this proposal.

Mr. RILEY.—That may be so, but they reserved this land for a park, and in doing so they were looking to the future. We do not know what will take place in the next twenty years, and it is possible that this district may be densely populated. The New South Wales Government showed foresight in reserving this land for a park. In all the circumstances, I am prepared to vote against the clause.

Mr. WEST (East Sydney) [10.28].—I entertain some serious suspicion about the way in which this Bill has been brought before us. There seems to be a great deal of secrecy about it.

Mr. WISE.—The Bill was circulated on the 11th April.

Mr. WEST.—I am afraid there is something behind it. Why did not the Government give us an opportunity to consider this Bill?

Mr. LAIRD SMITH.—It was placed in our boxes eleven days ago. I read it eleven days ago.

Mr. WEST.—There is nothing in connexion with which there has been so much swindling and robbery carried on as there has been in connexion with the acquisition of land. Any one who has any knowledge of what has taken place in the New South Wales Parliament will take good care that no Government has a free hand in dealing with a land matter. The honorable member for South Sydney (Mr. Riley) has directed attention to a site purchased for the Post and Telegraph Department in Castlereagh-street. There were certainly four sides to it, but none opened upon a street or lane. It was surrounded by buildings. There was an opening 15 feet wide and 15 feet high to the main street, but the acquisition of that site was recommended by the postal officials. Another site in Oxford-street, adjacent to the Post-office, was also recommended. The street had a grade of one in six, but the place would have been built chiefly along a 15-ft. lane, into which a butcher's shop emptied its offal, and there would have been an eating-house opposite the main door. Yet this post-office had a bigger income than any other in New South Wales, with the exception of the General Post Office. I

could not convince the honorable member's predecessor of the need for another site, but, to the credit of the present Postmaster-General (Mr. Webster), I say that he did what was necessary. Mr. Agar Wynne, Mr. Oxenham, and a few others went out in a motor car and took their stand at the top of the hill, but from there it was impossible to look at the site, because the frontage to the street was only 18 feet, and the lane frontage was 100 feet. I spoke strongly on the subject in this chamber when the honorable member for Darwin (Mr. Spence) was Postmaster-General, but my words had no more effect on him than they would have had on a piece of cold steel. Some of the departmental officers told me that if the Government spent money on a building at this site it would be wasted, because no one would see that the post-office was there. It is cases of this kind that make members anxious to know whether suitable sites are being chosen. The reports that the Minister has read to us deal only with the need for ordnance stores, which I do not question. He has not read any report on the site itself. There are in Sydney business men who are as keen as any in the world. When Ministers go there they are entertained by the President of the Millions Club, a gentleman who has sold more land on time payment than any other man in Australia. He is very plausible, and the equal of any Commonwealth Minister, and no doubt wins them over to a number of things which they are afterwards sorry they promised. Ministers know whom I mean without the mentioning of a name. I understand that the site for the proposed ordnance stores fronts the harbor and a canal. Ministers should remember, however, that when we were dealing with the Lands Acquisition Bill of 1906 it was the view of Parliament that public parks should not be resumed. Some of the recommendations of officials in these matters have been scandalous. The resumption of land elsewhere was not mentioned in this connexion until the Opposition showed a determination to have daylight upon the proposal. We heard nothing about it until late last night. When Mr. Archibald was Minister, members on both sides showed plainly that in their view public parks

Mr. West.

should not be taken away from the people. We are not like mere aldermen, trying to make what we can out of our positions, but are men above reproach, and we should insist on a most searching examination of proposals of the kind now before us. I have certain information which I am not able to make public, because of the manner in which it came to me; but I am told that there is an estate in the district in which the site is situated on which there is a large house, which I know very well, having carried out a contract there some years ago. The property has been for sale for a long while, but they cannot dispose of it because of its distance from the tram, and because the house is too large for any one without considerable means, and persons with means prefer localities in which others similarly situated reside. A good many years ago, the late Dr. Renwick built a large house in this district, but after his death his family could not keep it up, and it was eventually pulled down, the neighbourhood not being a fashionable one. Wealthy persons prefer to live at Rose Bay, on Bellevue Hill, and on the North Shore line, where there are the finest residential sites in Australia. To get to the North Shore you have merely a pleasant trip across the harbor in the ferry and fifteen minutes' run in the train, during which you ascend 500 or 600 feet. Why do not the Government go to other sites, a considerable distance away, and not take this park, with its water frontage? Mention was made by Mr. Webster of Petersham Park. There are plenty of persons in Australia whose fowl-yards are as big as Petersham Park. Here, in the National Parliament, I regret to find a desire on the part of certain members to rob the people of a recreation reserve; and is this sort of thing to be without protest? We want to be satisfied that there is nothing in connexion with the whole transaction that will not stand investigation. If we give our assent to this action without knowing whether it is right or wrong, we shall be as culpable as the principal parties in the matter. No honorable member who desired to retain his dignity and maintain public respect for his character would allow the Government to take away land like this

without first making sure that the business was above reproach. The Postmaster-General, when he was in Caucus, was always careful, whenever there was any business proposed to be brought before the House, to see that the Government introduced only such measures as were sure to receive public confidence. Mr. Poynton was of the same mind; but I am afraid both those honorable gentlemen are losing their characters by the company they are keeping.

I have nothing against the purchase of this land, but I implore the Government to consider the proposition seriously. If it is to be in the public interest, it will not be easy to deny the claim of the Government; but it would be only fair to see that they give in return a site equal to it in all respects. I do not think it is possible, however, to provide another such park with a foreshore frontage. We should do our utmost, even at this late hour, to conserve the parks wherever they have water frontages. I admit that the Minister in charge of the measure is giving the subject his best attention. Nevertheless, I detect a lack of enthusiasm, because he feels that he is handling something he does not like. That is not the spirit in which a Minister of the Crown should come before the National Parliament, when the Government want to rob the people of one of their parks. I am always determined in watching anything that may be the means of conserving the public health. In accordance with the principles which have actuated me during the whole course of my life, my vote will never be cast to rob the people of a park for recreation purposes. If we could secure a vote upon this question free from all party ties, I venture to say that a majority of honorable members would affirm the view which I have been voicing. I plead for delay in the consideration of this clause. If the Government will consent to postpone the debate upon it until next week, I will undertake to get some of my friends and friends of the Government to inspect the site—men who are well qualified to let us know what is the precise position. The canal to which reference has been made during the course of this discussion is merely a cemented storm-water channel, which is subject to tidal influence. Of course, if the Government

obstinately refuse to listen to my entreaties for delay in this matter, I can only find consolation in the reflection that at least I have done my duty. The principle underlying this clause is one which concerns the whole of the people of Australia. In the Commonwealth Parliament of 1906, I am proud to know that there were some exceedingly honorable men who declined to empower the Government to take over park lands under any Lands Acquisition Act.

Mr. HIGGS.—Where are they to-day?

Mr. WEST.—They are not on the opposite side of the chamber. I do not know whether the Minister intends to accede to my request to delay the consideration of this question for a few days.

The CHAIRMAN (Hon. J. M. Chanter).—Order! The honorable members' time has expired.

Question—That the clause be agreed to—put. The Committee divided.

Ayes	26
Noes	9
Majority	17

AYES.

Archibald, W. O.	Mackay, G. H.
Bayley, J. G.	Pigott, H. R. M.
Boyd, J. A.	Poynton, A.
Corser, E. B. C.	Rodgers, A. S.
Falkiner, F. B. S.	Sinclair, H.
Foster, Richard	Smith, Laird
Glynn, P. McM.	Spence, W. G.
Greene, W. M.	Watt, W. A.
Groom, L. E.	Webster, W.
Jensen, J. A.	Wise, G. H.
Jowett, E.	<i>Tellers:</i>
Lamond, Hector	Story, W. H.
Livingston, J.	Thomson, John
Lynch, J.	

NOES.

Blakeley, A.	Maloney, Dr.
Charlton, M.	Tudor, F. G.
Considine, M. P.	<i>Tellers:</i>
Finlayson, W. F.	Riley, E.
Higgs, W. G.	West, J. E.

PAIRS.

Sampson, S.	Catts, J. H.
Smith, Bruce	Anstey, F.
Ryrie, General	Brennan, F.
Hughes, W. M.	Fenton, J. E.
Cook, Joseph	Mahony, W. G.
Palmer, A. C.	Mathews, J.
Leckie, J. W.	McDonald, C.
Manifold, J. C.	McGrath, D. C.
Maxwell, G. A.	Nicholls, S. R.
Heitmann, E. E.	Page, J.
Forrest, Lord	Wallace, C.
Bamford, F. W.	Watkins, D.
Burchell, R. J.	Yates, G. E.

Question so resolved in the affirmative.

Clause agreed to.

Schedule.

Amendment (by Mr. GLYNN) proposed—

That all the words after the word "plan" in the penultimate line of the schedule be left out, and the following words inserted in lieu thereof:—

"catalogued Ms. 4767.SY Roll in the Department of Lands of the State of New South Wales."

Mr. WEST.—Will the Government insert in the Bill the promise made by the Minister—that an amount would be set aside for the purchase of another park of similar size and character?

Mr. WATT.—The Government will keep the promise, but we shall not insert it in the Bill.

Amendment agreed to.

Schedule, as amended, agreed to.

Title agreed to.

Bill reported with an amendment.

Motion (by Mr. GLYNN) proposed—

That the Standing Orders be suspended, to enable the remaining stages to be passed without delay.

Mr. TUDOR (Yarra) [11.5].—I ask the Minister not to press the further stages of the Bill to-night. The suspension of the Standing Orders is only intended to be resorted to in connexion with urgent business. This Bill is not urgent. It cannot reach the Senate in time for consideration to-morrow.

Mr. WATT.—Why not?

Mr. TUDOR.—If the Government desire the Bill to reach the Senate to-morrow, we shall try to prevent that happening. There should be an inquiry into this transaction, and the people in New South Wales who are affected by this proposed transfer have a right to be heard. The honorable member for Dalley (Mr. Mahony) has returned to his constituency in order to consult the people there. I ask the Acting Prime Minister to defer the third reading of the Bill until to-morrow.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [11.8].—From one point of view the Bill is urgent, because we desire to give another place some work to do. I hope the Opposition will allow the Bill to pass to-night. The honorable member for

Dalley said that he knew the locality well, and had no need to refresh his mind.

Mr. TUDOR.—It is a question for the people interested to decide.

Mr. GLYNN.—We twice sent to Sydney to consult the local municipal council.

Mr. TUDOR.—But the people may not know of the proposal, even though the council knows of it.

Motion, by leave, withdrawn.

House adjourned at 11.9 p.m.

Senate.

Friday, 3 May, 1918.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 11 a.m., and read prayers.

WHEAT POOL.

SUPPLY OF CORNSACKS.

Senator PRATTEN.—I wish to know whether the attention of the Minister in charge of the Wheat Pool has been directed to a report, appearing in the *Age* of this morning, of an interview with Major Purcell in connexion with the supply of jute goods? Major Purcell definitely makes charges against the Minister that by his handling of the matter he is sacrificing the interests of the farmers of Australia. Will the honorable gentleman say whether the statements contained in the interview are correct, and whether, if necessary, inquiries will be instituted?

Senator RUSSELL.—I noticed the report of the interview referred to, and, though it may read very well, the statements contained in it are not correct. Over twelve months ago the Commonwealth Government endeavoured to do through the Government of India what they are doing to-day, namely, purchase bags direct through them. The Indian Government then declined, for various good reasons, to do what we desired. It took us twelve months to accomplish what Major Purcell evidently was able to accomplish in the course of an interview with the press. What he recommends has been done, but I want to say that the

Indian Government limit purchases made direct through them to supplies required for distinctly war purposes. In regard to the suggested exploitation, I investigated the books of one of the largest firms handling cornsacks in Australia, and found that their return last year was 6d. per dozen on cornsacks sold in Australia. I shall, at a later date, make a detailed reply to the statement appearing in the *Age*.

Senator PRATTEN.—Arising out of the Minister's reply, I remind him that there are definite statements made in the interview with Major Purcell. One of those definite statements is that the farmers of Australia have to pay an additional amount for their jute goods, owing to the action of the Government in conducting the business through second and third parties, instead of going direct to the jute mills. I hope that the statement promised by the Minister will be complete and in every way satisfactory. It should be recognised that the matter cannot be allowed to rest where it is.

Senator RUSSELL. — The Government never at any time placed an order through a second agent, but in each case definitely through the Indian Government.

Senator PRATTEN.—Arising out of the Minister's answer—

The PRESIDENT.—Order! I am afraid that the honorable senator is not asking a question, but is arguing the point. He is not entitled to do that. At this stage he must ask a definite question.

Senator PRATTEN.—I shall renew my references to the matter on the next day of sitting.

Senator SHANNON.—I ask the Minister in charge of the Wheat Pool whether, in making the statement he has promised, he will indicate what will be the position of merchants in Australia trading in bags?

Senator RUSSELL.—I have already done so, with one exception, and that is in regard to the price, which will be announced by the Price Fixing Commission in the course of a few days.

Senator PRATTEN.—Might I ask whether this business is not now being done through brokers and agents?

Senator RUSSELL.—Not to my knowledge, but I shall make inquiries.

PERSONAL EXPLANATION.

Senator MILLEN (Minister for Repatriation).—*By leave.*—In addressing the Senate yesterday on the Repatriation Bill, in reply to an interjection, I think by Senator Lt.-Colonel Bolton, I stated that applications had not been invited from those willing to take positions on the staff of the new Department. I stated, also, that the Department had been inundated with applications, many of which had been forwarded, as honorable senators were aware, through their hands. Speaking from memory, I think I am justified in saying that the *Age* of this morning says that my statement is to be accepted as an admission that political influence was at work. I wish to deny that absolutely. Nothing that I said was interpreted by honorable senators listening to me as being capable of that construction.

Senator McDougall.—It was said in a joke.

Senator MILLEN.—I am beginning to recognise that it is dangerous to attempt even a little levity in the presence of pressmen. All that I wished to indicate was that honorable senators knew that applications were arriving, and that many of themselves were made the medium of forwarding those applications. No political influence was exercised, and had any attempt in that direction been made it would not have been responded to.

AUSTRALIAN IMPERIAL FORCE.

SUGAR IN SOLDIERS' PARCELS.

Senator PRATTEN.—I should like to know from the Vice-President of the Executive Council what was the exact reply he gave yesterday on the subject of the exportation of sugar in soldiers' parcels. In the *Age* of to-day there is another indication, to my mind, of inaccurate press work, as it is stated definitely that the prohibition of sugar in soldiers' parcels was at the behest of the British Government. In the *Argus* the statement is made that there is no prohibition of sugar for export. The confusion caused by these inaccuracies is still continued in the public mind. Senator Grant brought the matter up yesterday, and I should be obliged if the Minister

in charge of the business would make the position perfectly clear.

Senator RUSSELL.—The answers I gave yesterday to the two questions put by Senator Grant were:—

1. No.

2. See answer to No. 1.

So far as I know, those answers are absolutely correct.

KALGOORLIE TO PORT AUGUSTA RAILWAY LANDS BILL.

SECOND READING.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [11.8].—I move—

That this Bill be now read a second time.

This measure provides for vesting in the Commonwealth Railways Commissioner land acquired or to be acquired by the Commonwealth from the States of South Australia and West Australia in connexion with the Kalgoorlie to Port Augusta railway. As honorable senators will recollect, prior to the passing of the Kalgoorlie-Port Augusta Railway Bill in 1911, the State Governments of South Australia and Western Australia had agreed to concede a strip of land of a quarter of a mile in width along the route of the railway, or one-eighth of a mile on either side of the line. They were not at the time able to transfer the land to the Commonwealth, because there had been only a flying survey, and it was necessary to survey the line only for a short distance ahead of the actual construction. No plans could, therefore, be prepared showing exactly what lands were to be transferred by the State Governments. Since that time a number of applications have been made for compensation in respect of the land to be transferred. The lands acquired from Western Australia are a clean gift. There is no compensation to be paid in respect of lands acquired at the Western end of the line, as they are waste, or Crown lands, but in South Australia, for a distance of about 280 miles between Port Augusta and Tarcoola, there were several pastoral leases along the route of the railway, and the holders of those leases have made several claims for compensation. I am not able at this stage to give details of those claims. The purpose of this Bill is by vesting the lands

acquired in the Commonwealth Railways Commissioner to give him power in the case of any application for compensation made within six months after the passing of this measure a means of dealing with the claims effectively. If a claim is not agreed upon mutually between the leaseholder and the Commissioner, it will be within the power of the Minister for Works and Railways to refer it to a High Court Judge for determination. If a leaseholder desiring to make a claim does not send in his application for compensation within six months, he will lose the right to claim compensation. The Bill will not affect any claims in connexion with which litigation has already been commenced.

Senator GUTHRIE.—What litigation has already been commenced?

Senator RUSSELL. — I understand that litigation has been commenced in one or two cases. This measure will not affect those cases, but claims that may subsequently be made. If the claimant can come to a mutual agreement with the Railways Commissioner, his claim will be paid. If no agreement has been arrived at within six months, the claim will be referred to a Judge of the High Court. In the event of the Court determining that the benefit conferred upon the claimant by the construction of the railway is in excess of his claim for compensation, he will be liable to compensate the Commonwealth Government to the extent of that excess. The object of this provision is, I suppose, to limit the number of claims for compensation.

Debate (on motion by Senator McDougall) adjourned.

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

SECOND READING.

Debate resumed from 2nd May (*vide* page 4323), on motion by Senator MILLLEN—

That this Bill be now read a second time.

Senator McDougall (New South Wales) [11.16].—By the courtesy of the Minister for Repatriation (Senator Millen), I have had an opportunity of reading portion of the report of his speech made yesterday; but still I feel it is hardly fair that the Senate should be called upon to debate the Bill with the little preparation that has been afforded

honorable senators, and I hope that other honorable senators will be given a further opportunity of considering the measure before they are called upon to discuss it. There are, however, one or two points to which I shall direct attention.

I appreciate to the full the many difficulties that confronted the Minister when he launched this repatriation scheme, because I have been in close touch with one of the highest officers in Melbourne, and I know that the work involved was extremely heavy. I hope that in its administration there will never be any attempt to cut down expenditure so far as it relates to the special purposes of the Act, but that every endeavour will be made to fitly repay those men who have suffered as a result of the war. I had intended to say something concerning the applications for appointment in the new Department, but the Minister's explanation this morning has made that unnecessary.

On the question of determining what is a living wage, I think some difficulty will be experienced, because what might be a living wage in one part of Australia will not be so regarded in another part of the Commonwealth. Some scheme should be inaugurated, as has been done in Great Britain, of standardizing certain articles of clothing and necessities of life for the service of repatriated soldiers and their wives and families, so that they may not suffer at the hands of exploiters.

Senator MILLEN.—I may inform the honorable senator that when I used the term "living wage," I thought of accepting the rate judicially fixed as a living wage in the different States.

Senator McDUGALL.—That is one reason why I object to it. I would prefer that the Department should fix the amount to be regarded as a living wage, and especially that an attempt should be made to standardize the necessities of life for the benefit of our repatriated soldiers and their families. I noticed from a Canadian paper that the authorities there are entertaining the idea, following the example set by Great Britain; but whether it has been actually put into operation I do not know. I hope that the Minister will give the matter his careful consideration.

Another matter that is likely to cause trouble is that of determining the suitability of men for certain work. Who will

be the judge? In my opinion, the man himself should judge whether he is fit or not for certain occupations. I know of many men who have tried different jobs and found that none suits them; and very often a man might appear suitable for a certain work, but actually would be quite unfitted for it; so I think that he himself would be the best judge as to the suitability of work offered to him. If men are dissatisfied they will have the right of appeal to the State Boards, and, if still dissatisfied, they may appeal to the Commission in Melbourne. That might be all right for a man who has money to keep him while he is making his appeal, but we know what it would mean for other men.

Senator MILLEN.—The men will be involved in no cost at all.

Senator McDUGALL.—Is it proposed to pay a man while he may be appealing against the decision of a State Board?

Senator MILLEN.—If the honorable senator will look at the regulations he will find that the Deputy Comptroller will have authority to grant each man sustenance on his own responsibility, and during that time the man, if still dissatisfied, may put his case before the Court.

Senator McDUGALL.—I will accept the Minister's word for that, because, as I have already said, I did not have an opportunity of going right through his second-reading speech; but the act of appealing will take time, and I object to the principle of allowing any outside authority to determine whether a man is suitable for certain work or not.

Senator MILLEN.—Does the honorable senator suggest that a man himself shall judge, and that so long as he refuses work he will be entitled to sustenance?

Senator McDUGALL.—He will, of course, have to prove that he is unfitted for heavy work.

Yesterday, when the Minister was quoting the rates of sustenance to be paid, I asked him why it was proposed to limit the allowance to a soldier with a wife and four children, and Senator Guthrie also took up the refrain. The rates proposed are, for a soldier without dependants, £2 2s. per week; a soldier with a wife, £2 12s.; a soldier with a wife and one child, £2 15s.; and thereafter an additional 3s. 6d. per week for each child up to four, so that a soldier

with a wife and four children will be insured a weekly income of £3 6s. I again ask: Why stop at four children? Is it suggested that £3 6s.—the allowance for a wife and four children—is also a living wage for a soldier with a wife and eight children? We all know that it costs almost as much now to "boot" children as it did to keep them twelve months' ago, and I draw the attention of the Minister to the fact that the authorities in New Zealand are going one better than Australia, for there they pay allowances up to five children. I noticed a paragraph in the press recently, stating—

It is officially announced that the allowance to soldiers' children has been increased 6d. per day, making 10s. 6d. weekly. Under the new system a wife with one child will receive her husband's allotment of 3s. per day, her own allowance of 3s., and 1s. 6d. for each child, a total of 52s. 6d. weekly. The pay to a wife with two children will be 63s.; three, 73s. 6d.; four, 84s.; five, 94s. 6d.

Senator CRAWFORD.—But is it not a fact that 21s. of that amount comes out of the husband's pay?

Senator McDOUGALL.—I am not saying that it does not. I am drawing a comparison of allowances paid in New Zealand and the rates proposed in Australia. It does not matter where the money comes from. In New Zealand a soldier's wife with five children will get 94s., as against 66s. in Australia for a wife with four children, and I maintain it is not equitable to stop the repatriation allowance at four children.

Senator EARLE.—That is not the New Zealand repatriation payment, is it?

Senator McDOUGALL.—No; but that is quite beside the question, and I would seriously urge the Minister to consider the advisability of extending the benefits to patriotic men whose families consist of more than four children. I know of a man who left ten children behind him, and there are plenty of such instances throughout Australia. The other day I sent to the Minister a list of twenty-five soldiers' wives, not one of whom had less than seven children. I hope, therefore, that the Minister will consider my suggestion.

Senator EARLE.—I am quite in sympathy with the honorable senator; but I suggest to him that in a family of ten, all would not be dependants. Some would be supporting themselves.

Senator McDOUGALL.—That is true; but the principle should be observed. A member of another place who went away left his son behind to look after his mother. Unfortunately, he lost his life; and now the son has been victimized in New South Wales. There are plenty of such cases.

Another matter is in relation to apprentices returning who had served portion of their time before enlisting. It is a very difficult question to handle. It comes within the scope of State laws, and I do not know how the Minister is going to overcome the difficulty.

Senator MILLEN.—And it is a very real one.

Senator McDOUGALL.—I heartily indorse the proposals made in this respect. I take it that the wages to be paid are simply to be the amount which employers can rightly pay for the work done by the apprentices, and that the Government are to add the difference. But the trouble will be that many of the returned youths will have even as long as four and five years to make up. It will not be at all easy to have them complete their apprenticeship term.

Senator MILLEN.—There is a genuine difficulty in some cases, arising from State laws.

Senator McDOUGALL.—I know that. I have not seen anything in the statement of the Minister as to providing opportunities for soldiers to become employers of labour themselves. That is, that they may be assisted in tendering for work either of a national or public character. There should be provision whereby half-a-dozen men could get together, and tender for jobs, with some guarantee by the Department that they would be able to carry them out. That which often prevents men from getting a start in life is the lack of proper backing just when they desire to strike out for themselves. Many returned soldiers would gladly avail themselves of assistance in this way, and I trust that the Minister will consider the suggestion.

The Minister made reference to providing settlements for soldiers. I advocated that when a previous Bill was before the Senate, and urged that it should not be left to voluntary organizations which, in a number of the States, are splendidly endeavouring to provide

model settlements. I commend the Minister for his proposal, under the repatriation scheme, to provide model homes for men who are to be employed in factories and the like.

Still another factor which should be looked to is the fostering of industries in which the men are to be employed. Unfortunately, there is too much importation of goods manufactured in foreign countries by cheap labour. In nine cases out of ten, where a private citizen has been enterprising enough to establish any one of those industries, he has met with success. Although the manufacturer has to pay higher wages, he gets better work, and, through systematic effort, he has been able to compete successfully against the cheap importations. In the Senate the other day, I mentioned the matter of enamel required for soldiers' medals. The Minister informed me that the contractor was waiting for the imported article—This enamel can be manufactured here; but the samples submitted to the Department were, according to its experts, not up to the imported product. That being so, it is for the Government to assist in the perfection of that article so that its manufacture might give employment of the requisite light nature to numbers of returned men. There are many such occupations with which the Minister should make himself acquainted. It is not probable that much could be accomplished at first, but it is only a matter of time. In my own trade, we were told not long ago that we could not manufacture locomotives to compete with the work of other countries, with their cheap labour. To-day, however, we are making them better and more cheaply than ever they were imported. It is all a question of system, and in that way we can compete with any part of the world. I recommend that the Department schedule all industries, particularly those requiring light labour, and make special efforts to foster and successfully establish new enterprises.

Senator MILLER.—I have done that. I have consulted all the Chambers of Manufactures regarding suitable industries. The difficulty is that an industry, being new, is not known here, and it is a task, therefore, to find any one who can tell us anything about it.

Senator McDUGALL.—Well, I have mentioned one, and I ask the Minister to

look after it. There are many others, besides. The trouble is that when a matter is brought forward here by honorable senators who may have some slight knowledge of what they are talking about, questions are asked, and that is about the end of it. If one wishes to push the business further, he must persistently prod the Minister. For about two years I was trying to get the Government to manufacture the electric cables which they require. I pointed out that they could save £100,000 every year on that work. The Postmaster-General went into the scheme, and was favorable, but nothing was done. When the Prime Minister went to the Old Country, he, in his zeal to do something for Australia, let a contract for ten years for the very article which we could manufacture easily with light labour, and at a great saving.

Senator REID.—What did the officials say about that saving of £100,000?

Senator McDUGALL.—The Department was agreeable. The Postmaster-General saw the value of the suggestion, and approved of the work being commenced, but, unfortunately, the Prime Minister was not aware of the position when he made this contract, which, of course, must be honoured.

Senator PRATTEN (New South Wales) [11.41].—We rightly heard from the Minister for Repatriation (Senator Millen) that the problem facing Australia in regard to repatriation is new. There is no precedent for what Australia will attempt to do. The Minister correctly said that Australia leads all the belligerent countries in connexion with the attempted solution of the repatriation problem. He gave an illustration of his difficulties from the commencement. I can quite understand that he felt he was sailing an unfamiliar ship on an uncharted ocean, and without knowing his destination. He must have felt, indeed, like a blind man looking for a black hat in a dark room. Last September, a Repatriation Bill was passed which, after much discussion, and much thought on the part of the Minister in charge, practically meant that that gentleman was given a blank cheque. It was only a skeleton measure, and, in spite of all the oratory and all the amendments proposed in another place, the Bill returned to the Senate in much the same form as it had left us. That was largely

because the scheme was merely in skeleton form, and it was felt that it must be left to the Minister and his Department, and to time, to evolve the details.

To-day our ideas about repatriation are much more concrete than eight months ago. We have jettisoned many false ideas—many views which the people then held to the effect that because a soldier had served abroad he should be provided for, upon his return, by a benevolent public for all time. We have forsaken that, but have kept to the main principle, that no soldier shall suffer as the result of his sacrifice in fighting on our behalf. We have come back also to the fundamental idea that repatriation is not a benevolent institution, but is what the word actually means—the settling back into civilian life of men who have been in military service. I am glad to hear in the statement of the Minister that this is the main plan of the work of his Department.

Personally, I have been much puzzled and much confused when I have attempted to reduce the problem with which we are confronted to figures. I noticed particularly that the Minister, in his many explanations regarding this important matter, has never got down to figures of any sort. He has not even told us how many soldiers the Department has so far assisted, how many have returned from abroad—

Senator MILLEN.—Yes, I gave that information yesterday. Up to 31st December last year the number who had returned to Australia was, approximately, 50,000, those discharged numbered 40,000, and those who have been assisted totalled 26,000.

Senator PRATTEN.—At any rate, the Minister has never attempted to get down to figures in regard to what this problem may mean to Australia.

Senator EARLE.—It is impossible to do that.

Senator PRATTEN.—I think that when we first directed our thoughts to repatriation it was announced that the expenditure in this connexion would probably amount to £60,000,000.

Senator MILLEN.—The honorable senator's statement is incorrect, if he will pardon me for saying so. No estimate of the cost has ever been officially given. Sixty million pounds was the amount mentioned by me on one occasion as showing what the scheme would cost if pre-

sent methods of land settlement were continued, and on the assumption that a certain number of soldiers were placed upon the land.

Senator PRATTEN.—Quite so. But no attempt has been made to forecast how much money the whole scheme of repatriation will cost the Commonwealth, and how many soldiers the Department will have to deal with. I quite recognise the extent and difficulties of the problem. According to the Minister's statement just now, up to the 31st December last 50,000 soldiers had returned to Australia. As a considerable number have returned during the first four months of the present year, I think that at least one-fifth or one-fourth of the soldiers who have gone overseas have already returned to our shores. Seeing that that is so, we have, I think, some glimmerings of light to guide us in connexion with the magnitude of this problem.

Senator EARLE.—We are able to form just about as reliable an estimate of it as we are able to accurately forecast the rainfall for 1919.

Senator PRATTEN.—Not at all. To-day I think we may safely say that one-fifth, if not one-fourth, of the soldiers who will return to Australia have already returned.

Senator O'KEEFE.—Does not that depend upon the duration of the war?

Senator PRATTEN.—Of course it does, but I am one of those who believe that the war cannot continue very much longer, and that a decision must be reached in the not very distant future. Certainly, the Democracies of the world will not allow the struggle to continue for another four years.

I am pleased to observe from the utterances of the Minister that this problem of repatriation is to be treated on the lines of common sense, so that we shall not have to face in the future such a large problem as we thought would confront us, provided always that reasonable conditions obtain for the development of Australia. There are very many thousands of men who will return to the Commonwealth when the war is over who will ask no help at all. The more facilities we can provide in the way of restoring them to their former civilian employment immediately upon their return the better will it be for the Repatriation Department. But upon this matter I shall have something more

to say upon the Defence Bill, which, I understand, will come up for our consideration either to-day or on the next day of sitting. Upon the question of land settlement, however, I desire to say a few words.

Honorable senators will doubtless recollect that some time ago repatriation in connexion with land settlement loomed very largely. I am glad to note that the Minister does not stress that aspect of the matter to-day in the way that he did eight months ago, and that there is exhibited a disposition to place upon the States, who own the land, the responsibility for the land settlement of our returned soldiers. I hope that no attempt in that direction will be made by the Commonwealth in connexion with the repatriation of our fighting forces. Any effort by the Commonwealth to settle our soldiers on the land is, to my mind, foredoomed to ignominious failure. Indeed, I am not at all sure that any land settlement in connexion with returned soldiers will be successful. As the Minister has observed, repatriation is largely a question of psychology, and, if I know anything about it, the psychology of the soldier is gregarious. He has been accustomed for years to comradeship and to the company of his fellows, and to settle him upon the land a mile away from his neighbour would be to invite failure. I repeat that this question of land settlement is one with which the States should deal, and the Minister will be well advised if he recognises that.

The question of repatriation—although it may be largely a question of weekly payments, pensions, &c.—is also one, broadly speaking, of work. I feel strongly that the problem would very likely be cut in half if the Government would only take their courage in both hands, and deal with the Tariff straightway. It seems to me that we have two alternatives before us. If plenty of work is available the evils arising from unemployment will be comparatively small. But if we experience bad seasons and distress, the question of repatriation will loom very largely. I was pleased, indeed, to listen to the remarks of Senator McDougall, who stressed the necessity for the establishment of new industries. I ask the Government to carefully consider that aspect of this matter. Such new industries as the manufacture of wire ropes—

Senator CRAWFORD.—I think that Senator McDougall spoke only of telephone cables.

Senator PRATTEN.—No. His idea, I think, was the establishment of an industry for the manufacture of wire ropes and copper cables for postal and other requirements. If such an industry were established in our midst, it would be worth a good deal to the country, and, though it might involve some waste of revenue, we could at least get some value for the money thus expended. Another industry which might well be considered in connexion with this scheme of repatriation is that of the manufacture of newspaper. There are scores of thousands of tons of precious freight now being utilized in the importation of newspaper from abroad. Yet we have all the raw materials for making it. We have the wood pulp, the vegetable fibre, and the prickly pear, which, I am informed, makes as good newspaper pulp as can be manufactured in any part of the world. Only a few months ago one of the representatives of Tasmania stated on the floor of this chamber that experiments in that State in connexion with the manufacture of paper pulp from timber had been eminently successful, and complained that the Government were not offering a bounty for its manufacture.

Senator EARLE.—I do not think that he said that.

Senator PRATTEN.—He complained that the Government had fallen short of its duty by withholding a bonus for the manufacture of paper pulp, seeing that the experiments which had been conducted in Tasmania had been reported to be eminently successful.

The Minister has also asked honorable senators to suggest something in connexion with soldiers' settlement. He rightly said that he was hesitating as to whether it was wiser to build houses around particular industries in connexion with repatriation—in order that the soldiers might be kept together—or to allow them to live in a scattered way, the same as do other members of the community. I think that the solution of this difficulty depends very largely on the number of soldiers who are to be dealt with. If the Minister has to deal with only fifty men in a particular industry, it will not be worth while to create a special settlement for them. But

if he has to deal with 500 or 1,000 soldiers in connexion with any industry, he probably can learn a good deal from Port Sunlight—

Senator MILLEN.—It is not a question of organizing villages, but of the desirableness or otherwise of segregating a number of persons who, owing to the war, have become more or less crippled.

Senator PRATTEN.—Obviously, the best course to adopt will depend largely on the number of men who are to be provided for in a particular locality. Clearly, it would scarcely be worth while to make provision for a small number. However, that is a matter the consideration of which may well be left to the development of the scheme later on.

The Minister intimated, during the course of his remarks, that he has asked Dr. Fetherston to report upon certain matters connected with the health of the soldiers after their return. I think that the Minister for Defence (Senator Pearce), too, made one or two interjections, calling me to account because I questioned the ability of Dr. Fetherston, as a specialist, to undertake this particular work. Whilst I have no objection to any report which may emanate from the Principal Medical Officer of the Australian Military Forces, I think that there are more eminent specialists than he is upon the nerve complaints with which soldiers are so often affected. I have no desire to throw any aspersions upon the professional ability of Dr. Fetherston, but merely because he was Chief Medical Officer here in peace time—

Senator Colonel ROWELL.—He was not Chief Medical Officer in peace time.

Senator PRATTEN.—Merely because he has attained his present position by seniority, or because he was appointed early in the war, it does not follow that he is pre-eminently fitted to do the thing the Minister has asked him to do. I shall say no more about the matter in the absence of the Minister for Defence, but among men in the street there are rumours and whisperings that Dr. Fetherston has gone Home for quite another object.

Senator MILLEN.—I said that Dr. Fetherston went Home on a mission intrusted to him by the Defence Department, but that as he was going I had

asked him to obtain special information for me.

Senator PRATTEN.—As the Minister has raised the reason for the doctor going Home, I say that we have been informed in the press that he has been asked to find out why 10,000 men have been recruited here and sent to England, and then found when they reached England to be medically unfitted for the job they had taken on. Surely the reason for that could be sought in Australia? Any one who knows anything about what has been going on regarding recruiting knows it was the fault of the medical officers of Dr. Fetherston's Department that these men were recruited in the first place. I know of my own personal knowledge—

Senator Colonel ROWELL.—Not all the medical men who have examined recruits belong to Dr. Fetherston's Department.

Senator PRATTEN.—My honorable friend has only to refer to the medical officer's report in connexion with the return of the *Nestor* some time last September.

Senator MILLEN.—May I suggest with much humility that this portion of the honorable senator's remarks would be more appropriate on the Defence Bill?

Senator PRATTEN.—I admit I have been somewhat discursive regarding Dr. Fetherston, and will accept the honorable senator's suggestion.

I congratulate the Minister most sincerely upon his very broad vision in connexion with his Department, and on his careful and discreet building up of the very complicated scheme of repatriation. The matter has been taken in hand by the Minister with much enthusiasm, and he has given to it much thought, and doubtless many long hours of weary vigil. I wish him success in every way. It is probably the most knotty problem that any Minister could take up, probably the most thankless job that any man could carry on, and I am sure the Minister has the sympathy of all the members of the Senate in his task. This is not a party question. It is a question towards the solution of which we can give only a little help, and do no more than indicate our opinions on fundamental issues. I hope the Minister will not forget that it is also a psychological question, one of sympathy and patience towards the men who have gone through so much for us. I hope also

with other honorable senators that the Department will ultimately be manned entirely by returned soldiers, as I believe the spirit of comradeship and mateship existing amongst soldiers will make them sympathetic towards those with whom they are dealing. I congratulate the Minister so far on the success he has achieved, and on the sound fundamental principles he has laid down in connexion with the Department. I am sure that one and all of us on both sides will give him all the help and sympathy we can. I trust the problem will not be so big as we now fear it will be. I hope that in the future Australia will hum with production and industry, for if that comes to pass, under wise guidance by the Government of the day the problem will rapidly diminish as the years run on.

Senator EARLE (Tasmania) [12.5].—I also offer my congratulations to the Minister for Repatriation (Senator Millen) on his explanation of the Bill. I have had many opportunities of listening to explanations of intricate pieces of legislation, but I have never listened with greater pleasure or advantage to the explanation of any Bill than I did to the deliverance of the Minister yesterday. It was the most lucid, carefully thought-out, and completely explanatory speech on a most difficult problem that it has ever been my lot to listen to. I also listened with much pleasure to the contribution of Senator McDougall, from which there was a total absence of carping criticism. Every word he spoke was evidently uttered with a sincere intention to assist the Ministry in taking on this big problem.

In dealing with the problem, for which there is no precedent and no experience to guide them, the Ministry, while considering the reasonable interests of the taxpayers and the interests of the genuine, thrifty returned soldier, and while taking every precaution to guard the fund against attempts to exploit it—for there will be amongst the returned men, as there are amongst every body of men, some who will do their utmost to do so—must not consider the economical side of the expenditure on this proposition. Nothing that Australia can do will be too much for the dependants of those who have made the supreme sacrifice, or those who have offered to make it on behalf of Australia. No payment that can be made

to these men either during the war or on their return can adequately compensate them for what they have gone through or what they have offered to sacrifice. A man who takes up arms in defence of his country looks for his reward in the realization by his countrymen that he has done it for his country's good. To seek to pay such a man by a few shillings a day while away, or by the reward of a few pounds on his return, would be an insult to his manhood. Although we who remain in Australia cannot compensate the returned soldier for what he has done for us, the Government must not consider expense in doing all that is humanly possible to make the lives of these men happy, peaceful, and prosperous in the future.

We are conducting our part of the war in this country under the voluntary system, and I am strongly opposed to every kind of economic conscription, although I am a straight-out conscriptionist, in that I would compel every man, rich or poor, to take his fair share of responsibility to defend the nation. I am against any system which may force one man to go in consequence of the exigency of the circumstances in which he finds himself, whilst another man is able to resist and remain. Reports have come under my notice showing that a system of that kind has been in operation in Australia. I had the opportunity last Sunday of listening to a number of speeches in the Sydney Domain. I had the honour of hearing a speech delivered by Captain Carmichael, when he was asking for the last twelve of the thousand men with whom he went into camp on Wednesday. I also heard a number of other speeches which I did not agree with, but the speakers all seemed sincere, and I also heard an official letter read from an employing firm in Australia stating that it had invited the resignation of one of its employees in order that the eligible men of Australia might be relieved for military purposes.

Senator GUV.—There is a good deal of that.

Senator EARLE.—The honorable senator is probably somewhat to blame for it, because he favours the voluntary system of recruiting, which does not represent the true policy of Democracy, inasmuch as it does not place on every man, who has a right to a share in governing his country, his share of the responsibility of defending

it. However, that matter is in the past, and it is no use talking about it. I am sorry that attempts at economic conscription, such as I have described, are being made, and I shall always resent them.

I was not favorable within my inner mind to levying a tax upon bachelors and eligibles while the war is in progress, because that also has a tendency towards economic conscription. It has a tendency to tax one eligible man, who can ill-afford the £5 or £10, and in a measure press him to go to the war, while the richer eligible can pay the penalty without any difficulty.

Senator O'KEEFE.—Did you not vote for that tax?

Senator EARLE.—I am prepared when the war is over, for the purpose of repatriating the men who have gone to the war, to vote for a stronger tax on the eligibles of Australia than has even yet been suggested.

Senator McDougall.—Without exemption?

Senator EARLE.—Without exemption at all. Every man who is eligible to go to the war, and has refused to go under the system adopted by the Commonwealth, should certainly be made to pay a considerable amount towards the repatriation and future comfort of the men who have made the sacrifice. Hence I repeat that whatever difficulties there may be in raising the money, and whatever the cost, the Ministry must not consider them, but, while safeguarding the interests of the soldiers and taxpayers, must insist on the people of Australia doing all that is humanly possible to make the conditions of the men who return better in the future.

On the subject of vocational training for returned soldiers I agree with every word that has been said as to the desirability of making our returned men self-reliant and producers of national wealth. While recognizing the great services these men have rendered to me and to my fellow citizens, I do not for a moment believe that on their return they should be kept in idleness. Their comfort should undoubtedly be considered, but they should be expected to become producers, and we should instil into their minds the feeling of self-reliance, which always tends to make a good citizen. The Minister for Repatriation has made a very explicit statement regarding voca-

tional training, but it appeared to me that, in view of its merits, the honorable senator passed over very lightly the scheme propounded by Colonel Fitzpatrick. This scheme must have cost the author a good deal of study and research. He proposes an agreement between employers in different industries, for which a returned soldier might be prepared in the course of twelve months, the industrial unions connected with those industries, and the Government. He suggests that 33 per cent. of the standard wage in these industries might be provided by the Government. The proportion of this payment should be higher during the first part of the apprenticeship, if I may use that expression, and become gradually less towards the end of the apprenticeship. It seems to me that that is a scheme by which large numbers of our returned men might be trained in different industries already established in Australia. I am given to understand by the author of the scheme that assistance to give it effect has been offered by employers and unions concerned in different industries. They are prepared to do all they can to train the returned men and to welcome their employment in those industries. I recognize that it is necessary to have some regard to the proportion of returned soldier trainees employed in a particular industry. If the Minister has not given full consideration to this scheme, which is very clearly set forth in a pamphlet issued by Colonel Fitzpatrick, I would recommend him to look into it, as in my view it contains suggestions which would be an improvement upon the Government's scheme.

The proposal of the Government to establish industries specially for the vocational training of returned soldiers seems to me to be surrounded by many difficulties. No industry in Australia occurs to me at the present time in which the Government could launch out upon the employment of returned soldiers without coming into direct competition with established industries of the same kind. This has been one of the difficulties always associated with governmental industrial undertakings. Immediately a Government starts the manufacture of an article, private citizens engaged in the manufacture of the same article at once create an agitation against

the Government, on the ground that they are employing their money in common with the money of other taxpayers in the manufacture of something which enters into competition with the articles upon the production of which they depend for a living.

Senator SENIOR.—Is it not the same thing to employ the taxpayers' money in subsidizing an employer?

Senator EARLE.—No; because in that case the employer gives a *quid pro quo*. He undertakes the training of the returned soldier, and pays the trainee a wage which for a time he does not earn. The employer loses something in that way for which he is entitled to compensation from the Government desiring the training of the returned soldier.

Senator SENIOR.—The same argument applies.

Senator EARLE.—I think it does not. If Senator Senior were a manufacturer of boots, and the Government established a boot factory for the vocational training of returned soldiers, that factory would not pay its way. Every pair of boots manufactured there worth £1 would probably cost 25s. to make, and the honorable senator would have to pay a proportion of that extra 5s. to enable the Government to manufacture the pair of boots in competition with him in his own business.

Senator O'KEEFE.—Not if the Government factory were properly conducted.

Senator EARLE.—Senator O'Keefe does not realize the difference between a properly-established business, whether governmental or private, employing trained men and run on business lines and an institution which would be largely educational. The educational departments of Australia are not revenue producing.

Senator GUY.—No one would think of starting an industry wholly with untrained returned soldiers.

Senator EARLE.—Surely the purpose of the proposed Government industries is to train the returned soldiers, and so these national businesses, undertaken for the purpose of repatriation, would not be conducted on purely business lines.

Senator SENIOR.—If a graduated scale of payments were made it would come to the same thing.

Senator EARLE.—If Senator Senior were a manufacturer of boots he would

realize that it would not be fair to him that he should be brought into competition with a Government factory supported by the taxpayers' money and established for the purpose of educating returned soldiers. I urge the Government to be very careful about establishing industries for the education of returned soldiers. I confess that I take far more kindly to the system of vocational training expounded by Colonel Fitzpatrick than I do to the Government's scheme.

One honorable senator advised the Government to have nothing to do with the resumption of land for returned soldiers. I am not of that way of thinking at all. I know a number of farmers' sons and farm labourers who have taken up arms in the defence of Australia who would be glad to have holdings of their own when peace is restored. I realize that because of the Constitutions of the different States it is almost impossible to resume the kind of land best suited for intense culture and occupation by returned soldiers. In my own State of Tasmania we have an Act which enables the Government to compulsorily resume any estate of the unimproved value of £12,000 and over. Under that Act the owner of an estate to be resumed is allowed to retain his homestead and a considerable area around it. In general practice, that means that the kernel is taken out of the nut and the husk or shell left for those who desire to use the resumption for closer settlement. The party I led at one time in the Tasmanian Parliament made several efforts to reduce the unimproved value of estates which might be compulsorily resumed to £5,000, but the Legislative Council of the State rejects that proposition every time it is made. So that, although there are in places like the Derwent Valley a number of comparatively small estates of an unimproved value of £5,000, £8,000, or £10,000, which would be highly suitable for the settlement of four, five, or a dozen returned soldiers, it is impossible to secure those estates for the purpose.

Senator GRANT.—If the land is fully utilized now, what is the use of disturbing the present occupants?

Senator EARLE.—The land is not fully utilized now.

Senator GRANT.—Then why does not the honorable senator advocate a straight-out unimproved land tax?

Senator EARLE.—Why does not Senator Grant amend the Constitutions of the different States? If he did, it would be unnecessary for me to make these remarks. The Constitutions of the different States are such that the different State Governments are quite unable to effectively handle this proposition.

Senator GRANT.—They do not desire to do so.

Senator EARLE.—They cannot do so because of their Conservative second Chambers. I am of opinion that before we can effectively deal with the settlement of returned soldiers on the land it will be necessary for this Parliament to take to itself the right to resume land for the purpose in any part of Australia. We know that any law passed by this Parliament will override the legislation of the State Parliaments. I believe that in the democratic Houses of the Commonwealth Parliament an Act which would give to the Federal Government the power to resume any land in Australia for this purpose would find favour.

Senator BARNES.—That is what the Bolsheviks did, and the honorable senator growls about it.

Senator EARLE.—Senator Barnes is, of course, talking "rot," and what he has said is not relevant to the question. I do not admit that there have been many failures in Tasmania. On some resumed properties which did not come under the compulsory sections of the Act, men are, I believe, doing very well; but, generally speaking, the areas have been resumed by the State Governments under their land resumptions Acts, and, consequently, are unsuited for the use of returned soldiers. In Tasmania we suggested a kind of co-operative scheme, by which the Government would arrange for the preparation of holdings prior to their occupation, and I think this proposal is well worthy of consideration by the Minister. In the case of Crown lands, particularly areas suitable for orcharding, the men who desired to take up the land would be engaged at standard wages in clearing, preparing the ground, and planting the trees. If twenty, thirty, or fifty returned soldiers had made up their minds to go upon the

land, they would be employed in this way under the group system.

Senator LONG.—But it is necessary now to go 10 miles out to get suitable areas like that.

Senator EARLE.—As far as the Crown lands are concerned, it is necessary to go back from the capital cities, but not so far from the waterways in our States, though it would be generally in Australia. The same system could be applied to land resumption by the State. In the case of pastoral properties suitable for intense culture, men could be employed on the group system as we, in Tasmania, are prepared to employ them upon Government lands.

Senator MILLEN.—And when the land has been prepared, what happens?

Senator EARLE.—The men draw lots for the occupation of the different allotments.

Senator MILLEN.—But probably some of the men, at the expiration of the paying period, would disappear.

Senator EARLE.—That would not matter a great deal, because they could not take the land with them; and, after all, they would only be paid for labour done, and during their term of probation, the overseer, acting on behalf of the Government, would be free to dismiss any men who proved slackers or were unsuited for the work. While employed under this group system, the men would be in receipt of the standard wage, and, in some cases, they would be actually clearing what would be their own future home. I see no reason why this scheme should not receive careful consideration by the Repatriation Department.

Senator LONG.—Why are you taking the Minister up in the clouds now by propounding this scheme?

Senator EARLE.—There is nothing academic or imaginary about this scheme at all. It may be applied in any State where suitable land is available. Surely the honorable senator realizes that to do the work of clearing land economically and scientifically it is necessary to provide up-to-date machinery, which could not be made available to the individual settler, and which would probably reduce the cost of clearing by quite 40 per cent.

Another question which seemed to perplex some honorable senators, notably, Senator Pratten, was the position of apprentices who had enlisted. I have had

some experience in this matter in my own State, where it has been equitably adjusted. It is only right, if two apprentices enter, say, Government workshops at the same time, and one, after serving twelve months' apprenticeship, enlists to go to the war, while the other remains behind to complete his term of apprenticeship, thus entitling him to a minimum wage of 10s. a day, that the man who has enlisted should, upon his return, be placed in exactly the same position financially as if he had remained in a workshop, and completed his apprenticeship term. In one case that came under my notice—and I have no doubt that there are many others—we put this scheme into practical operation in the Tasmanian Railway Department, the Commissioner, at the instance of the Government, re-engaged a returned apprentice at journeyman's wages, and while he was completing his term of indenture. This course is absolutely just, and though it may cost the Government a little more, after all it is their contribution to the solution of war problems. Expenditure must not be considered in carrying out the repatriation scheme. We shall have to find whatever amount of money may be necessary, and those who have not otherwise contributed must find a fair proportion of it.

Senator GUTHRIE.—If that principle were adopted generally, it might mean considerable expenditure, because I know of men who left positions carrying a salary of £400 a year to enlist as privates.

Senator EARLE.—I repeat that this country cannot compensate fully those men who have gone to the war, but the repatriation scheme launched by the Government will be an evidence of our gratitude to those men who have fought for us. It would be an insult to offer them a few pounds, or a few shillings per day as compensation for what they have done for this country; but it is absolutely impracticable to finance any scheme which would prevent any man from losing financially by his action in enlisting. I know such a proposal was expounded by a Mr. McLeod, of South Africa. He declared that every man should be conscripted for the war, but that he should receive the same rate of pay as that which he was entitled to prior to the war. That may be all right in theory, but it is impracticable.

Senator DE LARGIE.—We have to pay the cost of the war, anyhow, so it should not make such a great difference after all.

Senator EARLE.—A scheme like that would be impracticable, because plenty of men who have enlisted were in receipt of large incomes in private life, many of them getting from £1,000 to £5,000 a year, so if they were to be reimbursed their financial sacrifices, it would not be possible to bear the burden of war expenditure.

I am pleased with the example set by Senator McDougall in the course of this debate, and I feel sure that every assistance will be afforded to the Government in giving effect to the scheme. The only note of criticism so far struck came from Senator Pratten, who seemed to think that the Government should have come down with some forecast as to what the expenditure is likely to be. I am sure, however, that on further reflection, Senator Pratten will realize how absurd such a suggestion is. The honorable senator, by way of interjection, declared that the Democracies of the world would not tolerate this war much longer. What does he mean? The Democracies of the world are not responsible for the continuance of this war. The autocracy of Germany is to blame for it.

Senator SENIOR.—And from the beginning.

Senator EARLE.—Yes. If we could only get to the heart of Germany, and ask the people of that country how long they are going to tolerate this world-wide butchery, then we might expect an answer. So long as the people of Germany are in the clutches of the autocracy and the military class, who are now clamouring for world power, so long will the struggle continue. It is humanly impossible to forecast the amount that will be required for this scheme. We know that large numbers of men will be coming back, and that we must be prepared to receive them, and that, whatever the cost, it must be borne by the people of Australia, so that, no matter how great the numbers to be dealt with, our returned warriors shall have the very best that Australia can give. The Government shall never receive a hostile vote from me in consequence of their over-sympathetic administration of the Repatriation Department; and, in saying that, I feel that I am expressing the feelings of the great

majority of honorable senators. We realize that it is impossible for the Minister to accurately indicate what the expenses will be, or to fully foresee the difficulties with which he will be confronted, or to exactly estimate the failures which are bound to be made.

Realizing these things, we will willingly forgive the Minister if, in his desire to sympathetically administer the Department, he may do something which in its practical administration may prove a mistake. On the other hand, if red-tape is introduced, with all its rigidity, so that injustice is done to deserving men, the strongest condemnation will be meted out.

Senator DE LARGIE.—It was the party to which you belonged that introduced militarism into Australia.

Senator EARLE.—I do not understand what the honorable senator is driving at. I am a compulsory militarist, so far as the defence of our country is concerned; but rigid discipline is a different thing when it comes to the administration of a Department such as this.

Debate (on motion by Senator O'KEEFE) adjourned.

DEFENCE BILL.

In Committee (Consideration resumed from 2nd May, *vide* page 4326):

Clauses 2 and 3 agreed to.

Clause 4—

Section 39 of the principal Act is repealed, and the following section inserted in its stead:—

“39.—(1) Subject to this section, a soldier shall be entitled to be discharged—

- (a) if voluntarily enlisted—upon the expiration of his period of enlistment;
- (b) if serving under Part IV. of this Act—when the time of war has ceased to exist; and
- (c) if serving under Part XII. of this Act—upon the expiration of the period during which he is by this Act required to serve.

“(2) A soldier who would, under paragraph (a) or (c) of sub-section (1) of this section, be entitled to be discharged, shall not be entitled to be discharged—

- (a) in time of war, or
- (b) so long as a proclamation issued under sub-section (3) of section 31 of this Act remains in force.

“(3) When a soldier becomes entitled to be discharged he shall be discharged with all convenient speed, but until discharged he shall remain a member of the Defence Force.”

Section proposed to be repealed—

Any person who has enlisted as a member of the Defence Force shall be entitled to be

discharged therefrom at the expiration of the period of service for which he engaged, unless such expiration occurs in time of war, in which case he shall not be entitled to his discharge until the war has ceased to exist.

Senator PRATTEN (New South Wales) [12.50].—This and the succeeding clause are really the keys to the Bill. There was no opportunity for a second-reading debate yesterday, owing to some misunderstanding. I trust, therefore, that honorable senators may be given, in the circumstances, a little more latitude in discussing the main principles of the measure than otherwise would be sought. I point out the very grave nature of the Bill. I shall prefer to describe it as one for breaking faith with the soldiers. The very crux of it is dishonouring an obligation under which our men went abroad.

Senator EARLE.—Do you want them all discharged in London as soon as peace is declared?

Senator PRATTEN.—It is quite clear to me that this Bill is going to continue militarism throughout Australia for some indefinite period after the war, that is, if it passes as it is printed. Our soldiers enlisted for the period of the war and four months afterwards. That was the contract—which still stands. I do not dispute that the circumstances which have arisen could not have been foreseen; but, unless the contract is to be a mere scrap of paper, we must very carefully consider this Bill. It provides that, instead of a soldier being able to get his discharge when he returns to Australia, the military authorities, or the Minister for Defence, or the Governor-General—who all amount to the same thing—can by proclamation keep the troops in khaki for an indefinite time after their return. The question of wanting them or not depends entirely on what the authorities say, and that will probably rest upon the opinions expressed by the General Staff. The Minister, in explaining the measure, remarked that circumstances had changed in connexion with the war, and that it was necessary to pass this Bill, because the highest authorities held that it might be a year, if not two, before all our men could be returned. That is a fair statement. It is admitted that it will take a considerable time to repatriate the whole of our soldiers—not forgetting that their transport home will synchronize with the return of the troops of all the other Dominions.

No member of this Parliament would like to see our soldiers disbanded in England. We would prefer some arrangement whereby they could be kept in their respective units until their return to Australia. But if we, through any Act such as this, give power to the military authorities to keep our troops in khaki an hour longer than they desire after their return, and after peace has been declared, there is bound to be trouble.

Senator McDUGALL (New South Wales) [12.56].—I suggest to the Minister for Defence that he report progress so as to give honorable senators the necessary opportunity to look closely into this important measure.

Senator PEARCE (Western Australia—Minister for Defence) [12.57].—I have no objection at all. I desired only to have it shown that it was the wish of the Committee rather than the will of the Government to delay the passage of the Bill.

Progress reported.

Senate adjourned at 1 p.m.

House of Representatives.

Friday, 3 May, 1918.

Mr. SPEAKER (Hon. W. Elliot Johnston) took the chair at 11 a.m., and read prayers.

BAGS AND WOOLPACKS.

Mr. RICHARD FOSTER.—Has the Honorary Minister (Mr. Greene) seen the long and remarkable statement published in to-day's *Age*, in which Major Purcell, the Assistant Director of Remounts, says in effect that the Government by purchasing woolpacks and cornsacks through the merchants instead of from the factories, has increased their cost to the producers of Australia by something like 50 per cent. more than is paid in the Argentine, and that had the sacks during the last three seasons been purchased at the mills the Commonwealth would have saved from £1,000,000 to £2,000,000? The matter is so important that the Minister may not be able to reply immediately, and I ask him to go into the subject and make a complete statement when the House meets next Wednesday.

Mr. GREENE.—My colleague, Senator Russell, has charge of this matter. I have not seen the statement referred to, but from what the honorable member has said, Major Purcell seems to be labouring under a misapprehension.

Until this season the Commonwealth Government had not bought any bags, these having been supplied to producers through the ordinary trade channels, the Government merely making necessary arrangements for freight and distribution. This year the Government has bought bags, not from the merchants, but direct from the mills through the Jute Controller of the Indian Government. I shall make a complete statement of the facts on Wednesday, when I hope to have all the details at my command, but I should like to say now that our operations have saved the producers of Australia a very large sum.

Mr. RODGERS.—Will the Honorary Minister include in his statement an explanation of the manner in which the bags are distributed?

Mr. GREENE.—Yes.

Mr. GREGORY.—I direct the Minister's attention to the great scarcity of bran bags and woolpacks, particularly in Western Australia, because of the failure of the last steamer to take over a sufficient supply. When the honorable gentleman makes his statement next Wednesday, will he let the House know the intentions of the Government in regard to the distribution of bran bags and woolpacks, so that our primary industries may not be in any difficulty in regard to the supply of these articles?

Mr. GREENE.—I shall deal with that matter in my statement, but it has already received the attention of the Government, steps having been taken to meet the urgent requirements of Western Australia.

PAPUAN OIL-FIELDS.

Mr. RILEY.—According to the press, the gentleman in charge of the boring operations on the Papuan oil-fields is now in Melbourne. I should like to know from the Minister whether a good flow of oil has been struck?

Mr. GLYNN.—I cannot say that a good flow of oil has been struck, though a number of experiments are being conducted. There is a new field about eighteen miles from the present one, towards

which operations have been directed, though I cannot say that a flow has been obtained there yet. The geological indications are favorable, and justified boring, and we are now putting down a new bore—No. 8—though operations are suspended pending the adjustment of machinery; new machinery known as the standard machinery is now on the site. Oil is being obtained from every bore that has been put down, though not in payable quantities. In the No. 7 bore, which is now down 1,800 feet, oil was obtained at the 197 feet level, but it had to be shut off to enable the boring to be continued. There has been delay in connexion with the No. 8 bore. All I can say in regard to the operations generally is that the conditions are favorable, but that there is great risk attendant upon oil-boring experiments.

PRICE OF BUTTER.

Mr. TUDOR.—I wish to know from the Honorary Minister the reason for the increase in the price of butter. Will he tell the House whether the production and exportation of butter during the past six or eight months has not been higher than it was during the same period of 1916-17, when butter was selling at a cheaper rate? Is it necessary to import into Victoria 3,000 boxes weekly, and has that not caused the price of butter to increase over the whole field of production, although the quantity I have named is only a fourth of the weekly consumption of the State?

Mr. GREENE.—I cannot, from memory, give the exact figures of production and exportation. We have been shipping to Great Britain as much butter as she wished for, for which she provided space. It has always been the case that importations of butter into a State to fill its requirements have caused a rise in price over the whole field of production within that State, and that will always happen.

Mr. TUDOR.—Must the quantity I have mentioned be imported every week?

Mr. GREENE.—It is impossible for me to say.

Mr. TUDOR.—You can estimate to a ton what is needed each week.

Mr. GREENE.—Yes, but the honorable member was long enough in the Customs Department to know that it is impossible to estimate the quantity of butter that will be produced in the State each

week. If a few cold nights come, the production will be much less than it is now, and consequently the importation will be greater. I cannot say whether it will be 3,000 or 5,000 boxes.

Later:

Mr. TUDOR.—Is the Assistant Minister for Trade and Customs (Mr. Greene) aware that in March of last year there was exported from Australia 10,000,000 lbs. of butter, while in March this year over 17,600,000 lbs. has been exported, showing an increase in the exportation of over 7,000,000 lbs. Last year the price of butter was kept down to 1s. 4d. per lb., wholesale—

Mr. SPEAKER.—I am afraid I must intervene. It is quite clear the honorable member is endeavouring to give information to the Minister under the guise of asking a question. That is quite against the rules and practice of the House.

Mr. TUDOR.—I apologize. I had no intention of doing so. I ask the Minister if he is aware of the facts as I have stated them?

Mr. GREENE.—I explained this matter in the answer I gave to the honorable member at an earlier stage to-day.

AUSTRALIANS IN FLYING CORPS.

Mr. McGRATH.—Will the Honorary Minister (Mr. Wise) suggest to the Minister for Defence that representations should be made to General Birdwood as to the need for allowing men in the Australian infantry to transfer in England to the Royal Flying Corps? Thousands of our men wish to do this, and the British authorities consider that Australians are the best men to take charge of flying machines. We all know the important part that flying machines are playing in this war, and that they will play a much more important part in the future. The authorities are having to employ plumbers and blacksmiths in the Royal Flying Corps, although Australia could supply thousands of skilled mechanics, men of the very class that are most needed. These men are in our infantry battalions, and are desirous of transferring into the Flying Corps. When in London I saw hundreds of letters from lads who wished to make this transfer. Because of the outdoor life that he has lived and his initiative, the Australian is pre-eminently the best man to take

charge of a flying machine. I believe that if 10,000 Australians were put into the Flying Corps the Hun would not come over our lines as he does now, without fear of attack. The British authorities have any number of flying machines, but the men necessary to take charge of them are lacking. General Birdwood has allowed a few transfers, but will not consent to the transference of the large number of men that are needed, skilled mechanics, and other men having the necessary qualifications for the work of piloting and observing.

Mr. WISE.—I shall bring the honorable member's remarks under the notice of the Minister for Defence.

TASMANIAN SHIPPING SERVICE.

Mr. LAIRD SMITH.—I ask the Honorary Minister who is controlling shipping if he will do his utmost to maintain the existing shipping service between the mainland and Tasmania?

Mr. POYNTON.—I shall do all that is possible to leave things as they are. We are trying to make the dislocation of the ordinary shipping arrangements as little inconvenient as possible, but I cannot promise that under no circumstances will existing arrangements not be interfered with. I recognise the isolation of Tasmania, and therefore I shall do all that I can to prevent inconvenience to the people of that State, but I cannot make promises binding my future action.

SOLDIERS' DEPENDANTS.

Dr. MALONEY.—In view of the widely-spread feeling that soldiers' dependants do not receive a fair allowance from the Government, this view injuring recruiting, will the Treasurer see that at least as large an amount is given for the support of the child of an Australian soldier as is given for the support of a child of a New Zealand soldier? I direct his attention to the statement in today's *Age* regarding the allowance to wives and other dependants.

Mr. WATT.—I have not seen the paragraph, but I will take the matter into consideration as early as possible.

HOME SERVICE OFFICERS.

Mr. GREGORY.—In view of the complaints of the Returned Officers' Association with respect to eligible officers being retained here on home service, will the

Minister representing the Minister for Defence endeavour to see that those eligibles are compelled to go to the Front, or get out?

Mr. WISE.—I will bring the honorable member's question under the notice of the Minister for Defence.

PRICE OF TOBACCO.

Mr. WEST.—I have received information from Sydney that packets of tobacco, containing 1½ oz., which were previously sold at 1s. per packet, are still being sold at the same price, but that the quantity of tobacco in each packet has been reduced to 1¼ oz., though placards are still exhibited in retail shops notifying that packets containing 1½ oz. are sold for 1s. per packet. I would like to know from the Minister in charge of price fixing whether this is not an evasion of the price-fixing regulations?

Mr. GREENE.—If the honorable member will supply me with the evidence that he has in regard to that matter, I shall have it inquired into. If what the honorable member says is true, it is an evasion of the regulations, and the necessary action will be taken to deal with it.

Mr. CORSER.—Can the Minister say when the matter of fixing the price of tobacco will be finalized, because tobacco companies are now refusing to supply the public at the prices which were in existence on 1st March last, and this is causing considerable inconvenience in many parts of the Commonwealth.

Mr. GREENE.—The utmost expedition is being displayed in connexion with the inquiry. It will necessarily take some time, but not a day will be lost in attempting to finalize the matter.

MR. ANSTEY'S PASSPORT.

Mr. CONSIDINE.—Can the Minister for Home and Territories say whether or not any conditions were attached to the issuing of a passport to the honorable member for Bourke (Mr. Anstey)?

Mr. GLYNN.—As a rule, I do not disclose the grounds upon which passports are granted in particular cases, because it is scarcely desirable to tell people's private affairs to the public unless special circumstances justify one in doing so. The honorable member for Bourke made an ordinary application for a passport, stating

the grounds upon which he desired to go to England. In such cases I exercise my discretion as to whether or not the applicant should be allowed to go. So far as I can recollect, the grounds stated in the application of the honorable member for Bourke were sufficient, although private ones, and I therefore granted it.

BORING FOR OIL.

Mr. LIVINGSTON.—Seeing that the Government are boring for oil in Papua, will they take into consideration the advisability of encouraging boring for the same purpose in Australia?

Mr. WATT.—The Minister for Trade and Customs has been attending to this matter. It has already been brought to Cabinet, and has recently been referred for consideration to the new Board of Trade, from which we expect an early report.

SMALL ARMS FACTORY.

Mr. TUDOR.—As there are nearly 1,000 men out of work at the Small Arms Factory at Lithgow, has the Minister representing the Minister for Defence any reply to the question which I asked on Wednesday concerning the matter in dispute?

Mr. WISE.—I am sorry to say I have not yet received any reply, but I shall endeavour to get one during the day. If it comes to hand I will furnish the honorable member with the information on the adjournment.

WHEAT PRICE GUARANTEE.

Mr. RODGERS.—I would like to know when the Prime Minister expects to be in a position to make a statement in reference to the extension of the guarantee regarding the price of wheat, which runs out this year. There are many contract growers, share farmers, and so forth, who have no beneficial interest in the land which they are cultivating, since they cannot carry on any grazing upon it; and it would greatly increase the area put under fallow this year for sowing next year if an early announcement was made on the matter. Already many of these men are selling off their plants, and leaving, with their families, for the cities, so that it will be seen the matter is an urgent one.

Mr. WATT.—I have recently been paying more attention to the pressing question of further advances on past Wheat Pools, so that the matter to which the honorable member has referred has not been before the Government during the last few weeks. However, we realize that winter fallowing is a considerable advantage to growing in the following season, and I think that we shall be able to indicate the attitude of the Government in ample time to give the required assurance to the honorable member and those for whom he speaks, more particularly as the Prime Minister (Mr. Hughes) will be in England at the time, and be better able to realize the likelihood of the market and the position that the British authorities will take up.

BRUNI ISLAND JETTY.

Mr. LAIRD SMITH.—I would like to ask the Minister for Trade and Customs whether a jetty has been constructed at Bruni Island, Tasmania, and, if so, whether it was carried out by his Department, and at what cost?

Mr. JENSEN.—A jetty has been rebuilt at Bruni Island at a cost of £588 8s. 7d. By adopting a considerably cheaper design than was originally proposed, and by cutting all the piles on the site, and thus avoiding cost of material and the freight for delivery, the estimated cost has been reduced by over £400. The Lighthouse Engineer recently visited the jetty and reported that an excellent job was being made.

HANSARD REPRINTS.

Mr. FINLAYSON.—In accordance with the decision of the Government that reprints of members' speeches made in the House must be submitted to the Censor, I submitted a speech which I made last week, and the Censor has struck out two parts which were merely extracts, one from the *Glasgow Herald* of a meeting held in Glasgow addressed by Sir Auckland Geddes, and the other from the *London Herald*. None of my comments upon these extracts were omitted, but the extracts themselves were excluded. Will the Acting Prime Minister say that that was a fair exercise of the censorship, and that the publication in Australia of matter already

published in Great Britain is to be considered as prejudicial to recruiting or as being of value to the enemy?

Mr. WATT.—I am a great believer in the old Grecian proverb, "Every matter hath two handles." I would not like to express any opinion upon the matter at this stage, but if the honorable member will put his question on the notice-paper I shall see that the Censor's view is known before giving an answer.

PERSONAL EXPLANATION.

Mr. HECTOR LAMOND.—I desire to make a personal explanation. The other day the honorable member for Melbourne (Dr. Maloney) said that I had been responsible for the non-appearance of a newspaper which he called the *Labour World*.

Dr. MALONEY.—The honorable member was one of those who were responsible.

Mr. HECTOR LAMOND.—I drafted the original scheme accepted by a ballot of members of the Australian Workers' Union for a Labour daily newspaper in Sydney. This scheme was departed from some years ago against my desire. I have not at any time had any position on the directorate or any voice in the control of the company. If my advice had been followed, an evening paper would have been published long ago.

Dr. MALONEY.—I am very pleased to hear that statement; I was not aware of it.

FELT FOR MACHINERY.

Dr. MALONEY.—Will the Minister in charge of price fixing give some attention to the high prices which are being charged for felt used in machinery?

Mr. GREENE.—I shall be very pleased to inquire into the matter.

SEPARATION ALLOWANCES.

Mr. BRENNAN.—Where a wife is living separate from her husband at the time of his enlistment in the Australian Imperial Force, and is therefore not, in fact, dependent upon him, she is not allowed a separation allowance. Would not the Minister representing the Minister for Defence consider it fair to give the wife a separation allowance if the fact that she is living apart from the husband is not due to her fault? In many such cases the husband is a de-

serter who has left his wife without means, and his separation allowance goes to some much less deserving person.

Mr. WISE.—I will give consideration to the matter.

QUOTATION IN SPEECH BY MR. J. H. CATTS.

Mr. J. H. CATTS.—In reference to the statement made by Senator Pearce some little time ago that I had quoted from a pro-German publication, is the Minister representing the Minister for Defence yet in a position to give me the name and date of the publication referred to?

Mr. WISE.—I asked the Minister for Defence yesterday for an answer to the honorable member's question, but I have not yet been supplied with the reply. I shall endeavour to get it by Wednesday next without fail.

CENSORSHIP OF MEMBERS' SPEECHES.

Mr. FINLAYSON.—Yesterday we had a most interesting debate in this House upon the matter of the deportation of Italian citizens, and the Acting Prime Minister favoured us with a very illuminating address, but no report of the debate or of the honorable member's address appeared in this morning's newspapers. Is that because of a censorship imposed by the Government, or is the Censor acting under instructions from the Government in refusing the publication of such matter for the information of the people?

Mr. WATT.—I cannot answer the question, because I do not know why the report did not appear. My vanity was very much injured when I saw that my speech was not reported in the newspapers.

Mr. FINLAYSON.—In view of the fact that, as head of the Government, the Acting Prime Minister is unable to advise as to under whose instructions the Censor is working, to which Minister may we address questions relating to the censorship in order to obtain a definite understanding as to whether the Government are acting in the matter or not?

Mr. WATT.—Duplicate questions, I understand, are against the Standing Orders. If the honorable member will give notice, I shall see that an answer is furnished to him.

PERSONAL EXPLANATION.

Mr. J. H. CATTS.—I desire to make a personal explanation in regard to a statement I made on the 12th April as to an officer at the Henderson Naval Base, who, although competent for other duties, is admittedly incompetent for the position he now occupies. In bringing the matter under the notice of the House, I was acting upon evidence and observation in connexion with a visit of the Public Accounts Committee to the Henderson Naval Base. I then not only had access to documents, but heard evidence, and, what is of equal importance, an opportunity to observe the demeanour of the witnesses and the hesitancy of some when particular questions were asked. It appears, however, that additional evidence was given by Mr. Settle, the Director of Naval Works, on 8th April at a meeting of the Public Accounts Committee at which I was not present, and of which I was unaware at the time I made my statement on the 12th. In making that statement I was also influenced to some extent by the observations of the honorable member for Perth (Mr. Fowler), who went a little further than I did. That honorable member said that he had protested against the appointment of this officer when it was made some time ago, and that there was both political and personal influence behind. I find now that Mr. Settle, in his evidence on the 8th April, says:—

I reported strongly against him, but, equitably, pointing out his defects, and indicating what the man was suitable for. That was to the Naval Board. The Minister (Mr. Jensen), in October, 1916, gave me authority to discharge him; but I told the officer in charge of works that if Henshaw had not the capabilities of a General Foreman of Works he was not to be so employed, yet, at the same time, if he was a good carpenter, we would be requiring his services shortly.

Later on Mr. Settle said, in answer to another question, that he had no power to discharge such an employee without the consent of the Minister. My remarks in the 12th April must be qualified by this later evidence, of which I was unaware at that time. But the matter is still in a very unsatisfactory position, in so far as it is admitted that it had passed through all its stages to the Minister for Trade and Customs (Mr. Jensen) in October, 1916; and we know that considerable time is taken up in arriving at that stage. We see that in October, 1916, the

Minister for Trade and Customs gave authority for the discharge of this employee, and yet now, eighteen months or more afterwards, he is in the same position that he was then.

Mr. FOWLER.—And he was never fit to hold his position from the beginning!

Mr. J. H. CATTS.—It is admitted that this employee has not the necessary qualification. As I say, my remarks must be qualified by the later evidence of Mr. Settle; and I hope that my explanation this morning will put the facts in a different setting, and eliminate any unfairness which may have been occasioned by my ignorance of that evidence.

PARLIAMENTARY DRAFTING.

USE OF SIMPLER LANGUAGE.

Mr. FENTON.—Seeing that Acts of Parliament are being brought into operation at an exceptionally rapid rate, and that the community suffer very much in their endeavours to interpret them, has the Attorney-General's Department ever considered the advisability of couching these Acts in language that the people can understand? If not, will the Department kindly undertake to consider that reform?

Mr. WATT.—It has been tried before.

Mr. GROOM.—I do not think there is any country where Acts of Parliament are drafted in more simple language than in the Commonwealth of Australia.

Mr. FOWLER.—The late Mr. Kingston was the man to draft Acts in simple language!

Mr. GROOM.—And the precedent he set has been followed ever since.

Mr. KELLY.—The language is getting worse every day.

Mr. GROOM.—I remind honorable members that sometimes attempts are made in this House to improve on the Parliamentary Draftsman's work, and these may occasion some difficulty in understanding the sections. I appreciate the desire of the honorable member for Maribyrnong (Mr. Fenton), and I shall place his remarks before the Parliamentary Draftsman. I presume the honorable member desires that in the drafting of Acts short concise sections instead of long sections shall be adopted.

Mr. FENTON.—Why should a man not be able to read and understand an Act of Parliament as he reads and understands his daily newspaper!

Mr. GROOM.—If the honorable member realizes all the differences of opinion sometimes held in regard to the meaning of a newspaper paragraph he will see how difficult it would be to use newspaper phraseology to make a parliamentary session absolutely clear and simple to all.

Mr. KELLY.—Is it because of the careful, concise—

Mr. BRENNAN.—I rise to a point of order. I submit that the honorable member may not ask a question arising out of an answer to a previous question.

Mr. KELLY.—I have not yet said a word.

Mr. SPEAKER.—If honorable members will cease these interjections, I may be able to hear the question.

Mr. KELLY.—If I may be permitted, as a layman, to intervene, I should like to ask if it is because of the concise wording of our Acts of Parliament—

Mr. SPEAKER.—I remind the honorable member that he cannot ask a question founded on an answer given by a Minister to a previous question. If that practice were allowed we should become involved in an irregular debate, which is against our own Standing Orders and the practice of Parliament.

Mr. KELLY.—I should be obliged if you would inform me, sir, how you arrive at the conclusion that my question arises out of an answer to a previous question without hearing what my question is? The concluding portion of my question is quite different.

Mr. SPEAKER.—It is for the Speaker to determine those matters. The honorable member's question had direct reference to the Minister's reply, relating to the concise wording of Acts of Parliament.

COMPULSORY DEPORTATION OF ITALIANS.

Mr. BRENNAN.—In connexion with the secret acts of violence which are being perpetrated in the homes of some of our Allies, the Italians, for the purpose of deporting them, is the Assistant Minister for Defence aware that officers—

Mr. WATT.—I rise to a point of order.

Mr. SPEAKER.—I remind the honorable member for Batman (Mr. Brennan)

that a question couched in such terms is quite improper.

Mr. WATT.—Hear, hear!

Mr. BRENNAN.—I shall endeavour to couch the question in more—

Mr. KELLY.—Decent language.

Mr. BRENNAN.—In more satisfactory language.

Mr. WISE.—Would it not be better to give notice of the question? I cannot answer a question of that kind without notice.

Mr. BRENNAN.—I shall consider the matter for an hour, when I may be able to put the question in better language.

PUBLIC SERVICE EXAMINATIONS.

Mr. BRENNAN.—When may I expect some information about the important matter of the alleged improper practice in connexion with the examination for the Federal Public Service, about which I asked a question without notice a week ago?

Mr. WISE.—I shall endeavour to get the information by Wednesday next.

ADJOURNMENT (Formal).

PRICE OF RABBITS AND RABBIT SKINS.

Mr. SPEAKER.—I have received an intimation from the honorable member for Darling (Mr. Blakeley) that he desires to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The price-fixing of rabbits and rabbit skins." Is the motion supported?

Five honorable members having risen in their places,

Question proposed.

Mr. BLAKELEY (Darling) [11.44].—I am extremely reluctant to take the step of moving the adjournment of the House, and I should not have done so had I been able to obtain any redress, or even consideration, from the Minister who is dealing with price fixing. I do not refer to the Assistant Minister (Mr. Greene) so much as to the Acting Prime Minister (Mr. Watt) and the Assistant Minister (Senator Russell). The sinister manipulation of the rabbit and rabbit skin trade in Australia has become a by-word outside,

and it concerns a good number of honorable members of this House, especially those who represent agricultural and pastoral districts. This question has received considerable attention from me, and for the past eleven months I have been working almost every day, at least every week, in trying to get a price fixed for rabbits and skins, and to place the rabbit trade on such a footing as would not only insure to the trapper a fair remuneration for his labour, but would also help those men on the land who, because of the high price of netting and other materials, are unable to clear their land of the pest. Those honorable members who know of the way in which land is depreciated by rabbits are well aware that if sufficient remuneration is paid to the trappers the rabbit pest will soon disappear. There are approximately 8,000 men working in this industry in Australia, and up to date they have not been able to get a satisfactory price for their rabbits and skins. Deputations, letters, telegrams, and conferences in relation to the matter have been many during the last eleven months. Some time ago I convened a conference to consider the matter. The Australian Workers Union, which I represented, brought together delegates from all parts of Australia at very great expense. The conference practically arrived at an understanding whereby the Price-fixing Commissioner should fix the price for rabbits, but evidently some persons who are keenly interested in preventing any such fixation of prices seized upon the happy idea of getting from the Solicitor-General a legal opinion that any action by the Commissioner to fix the prices of rabbits was *ultra vires*. I immediately communicated with the Prime Minister, asking him if he would make such price-fixing legal. I received no reply. At about that time the control of price-fixing was transferred to Senator Russell. Conferences again took place, and many letters were written, but without avail. We had a conference between representatives of the Australian Workers Union, the Rabbit Combine, the Minister, and the price-fixing Commissioner.

Mr. JOWETT.—Is there a Rabbit Combine?

Mr. BLAKELEY.—Yes, and it is so strong that it is able to defy, not only the

State Governments, but also the Commonwealth Government, as I shall show later. The Minister and the Commissioner had agreed upon certain prices, namely, 8d. at the depôts, and 9d. at the works in summer, and 9d. and 10d. respectively in winter. Those prices were fair, and would have given a reasonable remuneration to the trapper whilst allowing the Rabbit Combine to make a profitable deal. The combine at that time was receiving 19s. per crate, but, unfortunately, when negotiations had reached the stage at which the authorities had agreed to fix a fair price, which would enable the squatters and farmers to obtain, without cost, a sufficient supply of labour on their land to eradicate the rabbit pest, the contract with the British Government was cancelled. Therefore, the Commonwealth Government had no power to fix prices for overseas requirements, but they could have fixed the prices for local consumption. That they refused to do. Recently I learned that the Rabbit Combine, acting in conjunction with the New South Wales Government, had arranged a contract with the Imperial Government. I may inform the House that only those people who are connected with the combine are allowed any share of the contract.

Mr. JOWETT.—Does the Rabbit Combine comprise rabbit exporters or freezers?

Mr. BLAKELEY.—It comprises both freezers and exporters. This is the contract which has been arranged between the New South Wales Government and the exporters—

RABBIT PURCHASE ACCOUNT, IMPERIAL GOVERNMENT.

THROUGH NEW SOUTH WALES STATE MEAT BOARD.

The Board of Control under the Meat Supply for Imperial Uses Act will act as agent for the Imperial Government.

Quantity and Allocation.—Six hundred thousand cases skinned rabbits allocated between States as under:—

	Cases.
New South Wales	500,000
Victoria	83,000
South Australia	9,000
Tasmania	8,000

CONDITION OF CONTRACT.

NEW SOUTH WALES QUOTA.

Description and Packing.—All rabbits to be skinned by hand or hook, heads and feet off, graded and packed under Commerce Act Regulations case to contain not less than 60 lbs. net, and not more than thirty-six rabbits in

each case. All rabbits to be well chilled before grading and packing, and stored in one of the following stores:—

Fresh Food and Ice Company Limited.
Municipal Cold Stores.
Sydney I.S.R. and Cold Store.
Metropolitan Ice Company Limited.
Pastoral Finance Association.
Sandown Freezing Works.
Farmers and Dairymens.
Eastern Suburbs Cold Store.
D. Hyland and Sons Limited.
Blayney.
Darroobalgie.
Aberdeen.

and any other store that may be approved by the Board. All rabbits to be equal to standard hitherto packed as Government grade, excluding small grade. Cases to be of approved size and shape, bound with hoop iron or with wire if approved by Committee, and contents wrapped in double wrapping of grease-proof paper.

Net weight to be clearly marked on case.

Price.—17s. (Seventeen shillings) per case, f.o.b., including free storage for sixteen weeks from last day of week in which rabbits were packed.)

Packers to provide and pay for fire insurance until shipped.

Payment.—Cash against bills of lading, invoice grade and freezing certificates, certified to by State Supervising Officer. In the event of shipment not being made within sixteen weeks after end of week in which rabbits were packed, purchasers to make progress payment of 75 per cent. of contract price against store warrants, and pay storage until shipped, at the rate of one penny (1d.) per crate per week after period of free storage expires.

Inspection.—In addition to complying with regulations of Commerce Act the Board of Control, as agents for the Imperial Government, will appoint four (4) Inspectors to supervise the grading, packing, and freezing of all rabbits purchased under this contract—the cost of such inspection to be paid for by the packers proportionately, and for this purpose a levy of twopence (2d.) per crate will be made, to be paid weekly.

Packers will be held responsible for any loss through bone taint.

Advisory Committee.—The Board will appoint a Committee of four, including the State Supervising Officer as chairman, to generally act as between the packers and the Board of Control.

That is a very interesting document, inasmuch as it provides for the absolute control of the contract by the Rabbit Combine, instead of by the Commonwealth Government. To New South Wales, where the Rabbit Combine is strong, have been allocated 500,000 crates, the supply of which is confined to members of the Combine exclusively. In this regard I would suggest to the Minister that this contract constitutes a restriction of trade,

because it prevents any person who may be in the rabbit industry from participating in the contract. That should not be so. Whilst New South Wales has been allocated 500,000 crates, Victoria is allowed only 83,000, South Australia 9,000, and Tasmania 8,000. The Rabbit Combine has succeeded in having a bigger proportion of the contract allotted to New South Wales than to other States through being shrewd enough to induce the New South Wales Government to usurp the rights and privileges of the Commonwealth.

The Meat Board entered into the contract on behalf of the New South Wales Government, but there is an Advisory Committee to help the Board, and that Committee consists of Mr. McKinny, of the Country Freezing Works of New South Wales; Mr. Curtis, of Curtis and Curtis; and Mr. Patterson, of Patterson and Company Limited—all members of the Combine—and Mr. Butler, who is one of the inspectors of the New South Wales Government. Those men absolutely control the whole contract. The price paid is 17s. per crate of three dozen rabbits, beheaded and without the feet. The old price was 19s. per case of two dozen rabbits. Whilst the price under the new contract is nominally 2s. per crate less, it is really higher, inasmuch as there will be less expense on account of crates, and the skins are returned to the Combine. The skins of three dozen rabbits are worth not less than 6s., which, added to the 17s. per crate, makes the price under this agreement 23s. per crate, as compared with 19s. previously. Whilst the cost of skinning the rabbits will be considerable, and will necessitate the employment of a large number of men, the returns from the sale of rabbit skins will more than pay for the cost of that labour. I come now to the question of the rabbit skins. As the result of action taken by the Australian Workers Union, the Government fixed the price of rabbit skins, and the system was fairly satisfactory save that the price so fixed was considerably below the rate ruling in the open market. The result was that the Government made a profit of £308,000, that amount representing the difference between the price they paid for the skins and the price at which they sold to the exporters. That money should, of course,

go to the trappers who supplied the skins. Later on, for some reason, the Government decided that the price of rabbit skins should no longer be fixed. Many of us thought at the time that it would be possible to counteract the movement of the rabbit combine to bring down the price, but freight difficulties arose almost immediately, and it was found very hard to obtain freights to carry our skins overseas. The Government having annulled the price-fixing regulation, the skins were thrown on the market, with the result that the bottom fell out of it, and a recovery has not yet been made. This is owing chiefly to the freight difficulty. It is very necessary, however, that the Commonwealth Government should immediately take control of the contract now in existence between the New South Wales and British Governments. Sufficient notice was given the Commonwealth Government to enable them to take action to prevent the signing of that contract. Nine days ago—before the contract was signed—I warned the Honorary Minister (Senator Russell) that the combine was meeting in conference in Sydney, and that certain action was to be taken. His reply to-day is that he has made representations to the British Government that the contract should be given over to the Commonwealth.

I am not at all satisfied that everything in regard to this particular contract is clean. I firmly believe that dishonest methods have been used, and also that the Government have failed in their duty in permitting the rabbit combine to take control of the rabbit trade. The Commonwealth Government have allowed the rabbit combine, through the State Government of New South Wales, to usurp rights and privileges that essentially belong to the Commonwealth. That is a very serious position. The rabbit combine, through the New South Wales Government, and the Meat Control Board, Sydney, are controlling the rabbit trade of the Commonwealth. I am not prepared to say whether such an arrangement is legal or not, but I am quite ready to say that it is most immoral. The rabbit combine decides what grading and inspection shall take place in Victoria in respect of rabbits purchased under the contract, and it decides what South Australia's conditions shall be in regard to it. In a nutshell, it

Mr. Blakeley.

is taking over what is essentially a Commonwealth matter, and the Government should not allow this usurpation of its rights to continue. I ask the Honorary Minister (Mr. Greene) to go carefully into this matter. I asked for a special Committee to investigate it, but to this the Government would not agree. The question involved is a very big one. It affects not only over 8,000 men who are employed in the rabbit trapping industry, but the whole of the agricultural and pastoral interests of Australia. If a fair price be fixed for rabbit skins and rabbits, a very large number of men will be attracted to the industry, and instead of having to pay exorbitant prices for wire-netting and other material to keep down the rabbit pest, farmers and others will be able to get as much labour as they want in return for the right to trap rabbits on their land.

Mr. POYNTON.—It is singular that the rabbits have increased very rapidly since the rabbit scheme came into operation.

Mr. BLAKELEY.—The one fact has no bearing on the other. There are fewer men trapping to-day than there have been during the last eight years, and it stands to reason that with fewer trappers there must be more rabbits. Three or four months ago rabbits at Stuart Range were as numerous as any trapper could desire, and one can well understand that the good seasons we have enjoyed have caused the rabbits to increase tremendously. I have nothing further to say, but would commend the attention of the Minister to the matter to which I have referred.

Mr. GREENE (Richmond—Honorary Minister) [12.8].—Immediately before the House met this morning, the honorable member for Darling (Mr. Blakeley) informed me of his intention to move the adjournment, and, as the rabbit trade does not come within my control, I am not in a position, at such short notice, to answer as fully as I should have liked, the statements he has made. The honorable member has stressed the circumstances under which the contract has been made with the Meat Control Board in Sydney. I propose to review, very briefly, the action taken by the Commonwealth Government, particularly during the last few weeks, in regard to the whole question. Early this year, the Imperial Government intimated

that they would be unable to take the 1918 pack. Subsequently, they stated that they were prepared to purchase 2,000 tons of the 1918 pack, and asked that the remainder of the pack be not sold as a whole to the Government of the United States of America. This the Commonwealth Government, believing that the Imperial authorities were unable to take the 1918 pack, had been prepared to do. The British Government, however, in requesting that the balance be not sold as a whole to the United States Government, said there would be no objection to our making sales to that Government, provided that the arrangements were such as would enable the Imperial authorities to resume buying at any time. A little later on, we notified them that we were able to make extensive contracts in America—

Mr. TUDOR.—For the rabbits in the skin or without the skin?

Mr. BLAKELEY.—Without the skin.

Mr. GREENE.—I am inclined to think that the contracts were to be for skinned rabbits. On the 8th April last, the Imperial authorities informed us that this offer was being brought to the notice of the Government of the United States, and that, in the meantime, it was understood that the British Board of Trade was arranging for the purchase of 6,000 crates of hooked skinned rabbits from this year's pack, and were communicating direct with the Meat Board, Sydney. So far as I am aware, that was the first intimation received by the Commonwealth Government that any proposals were being promulgated by the British Board of Trade to deal with the Meat Control Board, Sydney. Immediately upon receipt of this communication, we despatched a cablegram pointing out that the contract for the 1917 rabbit pack was made direct with the Commonwealth Government, and that the offer of the 1918 pack had also been submitted through the same channel to the British Government. We went on to point out in our cablegram that it was very desirable, in view of the previous arrangement and organization, that the Commonwealth Government should deal with the matter, more especially as a contract with one State would be sectional in character, and would cause much dissatisfaction in the other States. Those were the

terms of our cablegram. We stated, further, that if such a contract had been completed, we desired to be supplied with full particulars as to price, and so forth. We also strongly urged that, if the purchase referred to had not been completed by the British Board of Trade, the matter should be held in abeyance until the receipt of further representations from us. Up to the present, we have received no reply whatever to our message to the British Government.

Mr. FENTON.—When was that message sent?

Mr. GREENE.—Several days ago. There has been ample time for a reply to have been received from the Imperial Government. I can only say, at the present time, that the Government feel that all such contracts as between the Imperial authorities and any authority in Australia, should be made direct through us. We consider that this contract should not have been made as it has been; and, so far as lies in our power, we shall endeavour to rectify matters.

Mr. TUDOR (Yarra) [12.16].—I listened with interest to the statement just made by the Honorary Minister (Mr. Greene). Such a contract as that entered into with the Meat Control Board of Sydney should not be allowed. No combine should be permitted to ignore the Commonwealth Government, and to enter into contracts direct with the Imperial authorities. On my way to the House this morning, I met a resident of the South Gippsland District, who told me that, just beyond Leongatha, the best rabbits are bringing only 5d. per pair in the skin, whereas they are retailed in Melbourne at 1s. per pair, without the skins—and the skins to-day are worth at least 3d. each. The May skins are good winter skins, and should be worth more than the sum I have stated. I do not know whether the honorable member for Darling (Mr. Blakeley) mentioned this, but I believe that both the Australian Workers Union, some of whose members are engaged in the rabbit-trapping industry, and the hat manufacturers and employees, are desirous that the Commonwealth Government shall control the industry. Last year the Government made a profit of £308,000 out of it; but I understand that skins that were bought here from the trappers at

2s. 4d. per lb. were sold in Great Britain for 12s. per lb., which was equal to 2s. 5d. a skin. Of course, if that price had kept up, it would have been impossible to continue making ordinary felt hats from fur. I am opposed to the Minister on many matters, but I believe that he is on the right lines in this instance. The Government should control the export of rabbit skins, so that those who are trapping the rabbits may get a fair deal. These latter are more likely to get a fair deal from the Government than from private individuals, who are not in business merely for the good of their health. I hope that negotiations with the British Government will be continued so that this Government may obtain full control of the industry.

Mr. FENTON (Maribyrnong) [12.20].—I should like to know from the Minister whether the New South Wales Government is aiding and abetting the arrangements against which so much complaint is being made.

Mr. GREENE.—I am unable to say.

Mr. FENTON.—Have there been communications between this Government and the Government of New South Wales on the subject? It is most strange that, while the Commonwealth Government had sole charge of the business during the 1917 season, the matter has been left with the New South Wales Government for the 1918 season.

Mr. GREENE.—It is probable—though this is mere conjecture—that the 1917 arrangements were made through the Secretary of State for the Colonies, and that some other body—perhaps the Board of Trade—has acted independently this year without acquainting the Secretary of State for the Colonies of its action. I am sure that the British Government had no intention of ignoring the Commonwealth Government.

Mr. TUDOR.—I am sure that that is correct.

Mr. FENTON.—What hand is the New South Wales Government playing in this matter?

Mr. JOWETT.—A lone hand.

Mr. FENTON.—It generally plays a lone hand, and tries to humiliate the Commonwealth Government. It will be a good thing if our Government can make satisfactory arrangements with the Imperial authorities, and I gather from what the Minister has said that when these understand what is being done,

there will be no difficulty about renewing the old arrangement and cancelling the new contract. When I was closely associated with the rabbit export trade of Victoria, the exportation of rabbits and rabbit skins from this State was as great as from New South Wales, and it is therefore surprising to find that an arrangement has been made under which 500,000 out of a total of 600,000 crates of rabbits are to go from New South Wales and only 80,000 odd from Victoria. Rabbit flesh is becoming an important article of food, meat being very short even in the United States.

Mr. RODGERS.—But the rabbit industry is a pestiferous one, and should be wiped out.

Mr. FENTON.—Yet the rabbit trapper helps the land-owner considerably. The various State Governments are the greatest offenders in regard to the rabbit pest, because it is on Crown land that the rabbits breed freely, while private land-owners are being heavily fined for not keeping down rabbits on their land. The rabbit industry, however, should not be controlled by a monopoly. The names mentioned this morning include those of some of the cutest men in the rabbit trade, who, of course, would endeavour to make such arrangements as would be most likely to swell their banking accounts. I hope that the present contract may be wiped out, and that the Commonwealth Government may take over the whole matter.

Question resolved in the negative.

PRICE OF MEAT.

Mr. PALMER asked the Acting Prime Minister, *upon notice*—

If he will afford the House an opportunity of discussing the question of the price-fixing of meat after the presentation of the Commission's final report, and before a final decision is arrived at?

Mr. WATT.—I shall give consideration to the suggestion; but I cannot promise, as it is impossible at this stage to indicate the length of the sessional sittings.

EXPORT OF WOOL.

Mr. FENTON (for Mr. HIGGS) asked the Minister for Trade and Customs, *upon notice*—

What was the quantity of greasy and scoured wool exported during the twelve months ended 31st December, 1917, to each of the following

countries, viz.:—(a) France, (b) Italy, (c) United States of America, (d) Russia, (e) Japan?

Mr. WATT.—For war reasons it is not considered advisable to publish this information, but I shall confer with the Minister for Trade and Customs, and the honorable member will be supplied with the information which he desires, for his own private use.

CENSORSHIP.

SPEECH BY MR. WALLACE, M.H.R.

Mr. WALLACE asked the Acting Prime Minister, *upon notice*—

1. Whether it is a fact that the press censor in Sydney has prevented certain Sydney newspapers from printing a speech delivered in Parliament by Mr. Wallace, M.P., on the motion for printing the Ministerial Statement?

2. If so, will he state the reasons for this action?

3. Will he take steps to have the embargo removed?

Mr. WATT.—The answers to the honorable member's questions are as follow:—

1. The Press Censor in Sydney did prevent publication in one newspaper of reports of that portion of the speech delivered in Parliament by Mr. Wallace, M.P., referring to the internment of Father Charles Jerger, but later the paper in question was granted permission to publish the same matter as appeared in the Melbourne and other papers on this subject.

2. This action was taken for military reasons, and is in accordance with standing censorship instructions.

3. It is unlikely that the regulations will be altered at the present time.

WOLFRAM.

Mr. FENTON (for Mr. Higgs) asked the Acting Prime Minister, *upon notice*—

1. Is it correct that the price fixed for wolfram, namely, 65 per cent. W.O. 3, is now 52s. 6d. per unit, free on rail, as against 50s. per unit at place of production paid by Messrs. Dalgety and Co. Ltd., as buyers for the Federal Government last year?

2. Is it a fact that the price fixed in Canada and New Zealand for the same quality of wolfram ore is £5 per unit?

3. Is it a fact that the British Ministry of Munitions is paying for Australian W.O. 3 the same price that it is paying for Canadian and New Zealand wolfram?

4. If so, will the Acting Prime Minister state who is reaping the benefit of the difference at which Australian wolfram is bought and the price paid by the British Government?

Mr. WATT.—I have some information on the subject, but as I have not had an opportunity to confer with the Attorney-

General's Department, I should like the question to be postponed until next week.

AUSTRALIAN IMPERIAL FORCE.

INSURANCE—AGE LIMIT.

Mr. PIGOTT asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether, for the purpose of encouraging recruiting, the Minister will take into consideration the advisability of at once introducing a Commonwealth insurance scheme to cover the lives of men with dependants joining the Australian Imperial Force?

2. Whether the Minister will raise the age limit of those desirous of joining the Australian Imperial Force to 55 years?

Mr. WEBSTER (for Mr. WISE).—The answers to the honorable member's questions are as follow:—

1. The Commonwealth War Pensions Act represents the Government form of insurance of soldiers and their dependants. The Government has decided, as part of its recruiting scheme, as announced by the Prime Minister in Sydney recently, to invite voluntary organization of insurance schemes to supplement what is provided by the Pensions Act.

2. Some time ago the Commonwealth Government asked the War Office as to the advisability of raising the age of enlistment in the Australian Imperial Force to 50 years; the reply was in the negative. In view of later developments, the question is again being raised with the War Office.

PRICE OF SUGAR.

Mr. MACKAY asked the Minister for Trade and Customs, *upon notice*—

1. How is the difference between the price of refined sugar at £29 5s. per ton and the price of raw sugar at £21 per ton accounted for?

2. What was the estimated surplus of sugar on hand at 30th March, 1918?

3. Is the cost of sugar destroyed by the recent cyclone in North Queensland to be a charge on the Consolidated Revenue or the Sugar Fund?

Mr. GREENE.—The answers to the honorable member's questions are as follow:—

1. The difference between the price of £21 per ton paid for raw sugar 94 net titre and the price of £29 5s. per ton charged for 1A refined sugar, the following figures will show approximately the position. 1A sugar is sold in Sydney at £29 5s., and in Melbourne at £29 7s. 6d. per ton. There are also other varieties of sugar and golden syrup and treacle.

	£	s.	d.
The gross proceeds received for the refined products of 1 ton of raw sugar melted averages ..	27	12	1
Less discounts on sales, which average	0	19	11

Therefore the net amount received is not £29 5s., but .. 26 12 2

The raw sugar is purchased at 94 N.T., but averages 96.32 N.T., which, at £18 per ton for 94 N.T., equals ..	18 8 11
To this must be added the shipping charges, freight on the raw sugar, harbor dues, exchange, insurance, sacks, landing, wharfage ..	1 13 10
Refining charges C.S.R. Company ..	1 15 2
Selling charges C.S.R. Company ..	0 7 0
Payment for services of C.S.R. Company ..	1 0 0
	£23 4 11

Difference between £26 12s. 2d. and £23 4s. 11d. .. 3 7 3

Surplus per ton at 96.32 N.T. .. 3 7 3

which is equal to for 94 N.T. ..	3 5 7
Additional price for raw sugar this year, £21 per ton, formerly £18 ..	3 0 0

Leaving an apparent balance of 5s. 7d. per ton to meet interest on cost of sugar (surplus), estimated at 80,000 tons; depreciation in strength of sugar in stock; war risk insurance; insurance on raw sugar in store; increased freight on refined sugar; extra costs caused by strikes. It is estimated that more than 5s. 7d. per ton will be required to meet the above items.

2. About 80,000 tons.

3. On the Consolidated Revenue at present.

MACKAY RELIEF FUND.

Mr. MACKAY (for Mr. BAMFORD) asked the Acting Prime Minister, *upon notice*—

1. Has his attention been directed to a cablegram which recently appeared in the local press, being a reprint from the London *Times*, to the effect that the Malay States had subscribed £128,000 towards the Mackay (Queensland) Relief Fund?

2. Can he give the House any information as to the truth or otherwise of the statement referred to above?

Mr. WATT.—The High Commissioner was asked by cablegram to inquire and furnish particulars in respect of the report. A further cablegram has been sent asking whether any information is yet available. No reply has up to the present been received.

COMMONWEALTH STEAMERS.

Mr. FENTON (for Mr. MATHEWS) asked the Minister representing the Minister for the Navy, *upon notice*—

1. Is it the policy of the Government in regard to Commonwealth steamers to man these vessels with Australian officers and men under Australian conditions, as in the case of enemy steamers?

2. Are those ships to be controlled from London or in Australia, and are Australians to occupy leading staff appointments?

3. Is the policy of the Government in regard to spending money locally on Commonwealth property to be applied to those ships in respect of repairs, re-fitting, and supplying them with stores?

Mr. POYNTON.—I have not had an opportunity of looking into this question, but will do so, and give an answer next week.

WAR-TIME POSTAGE STAMPS.

Mr. MACKAY (for Mr. BAMFORD) asked the Treasurer, *upon notice*—

Whether, in view of the necessity for increasing the revenue, consideration has been given to the increase likely to be created by imposing a war-time postage stamp of 1d., in addition to the ordinary stamp?

Mr. WATT.—The matter has been receiving my close attention recently.

INCOME TAX ASSESSMENT BILL.

In Committee (Consideration resumed from 2nd May, *vide* page 4372):

Clause 2 (Amendment of Section 3).

Mr. CHARLTON (Hunter) [12.35].—Last night the Minister for Home and Territories, in the absence of the Treasurer, informed the Committee that paragraph c of the proposed new definition of "Income" would not increase the taxation on co-operative companies or societies. If that assurance is repeated by the Treasurer it will avoid a lengthy debate upon the matter, because there are several honorable members who are anxious that the position shall be clearly stated.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [12.36].—I am advised that the amendment does not increase the taxation on the societies to which the honorable member has referred, but as many tangled matters are dealt with in this Bill, and none of us can dogmatize finally upon them, I

shall make quite sure of the matter before the Bill disappears from this Chamber.

Mr. MACKAY (Lilley) [12.37].—I would like to have an explanation in regard to paragraph *b* of the proposed new definition of income. I would like to know whether or not associations, such as the Caledonian Association, or St. George's Society, or such bodies as farmers' unions, will be included among those institutions which will be called upon to pay taxation on the subscriptions and entrance fees of members? It seems to me to be most inadvisable to include such organizations.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [12.38].—I do not know that I can give a description which will be satisfactory to all honorable members of how far this provision reaches. It is primarily designed to meet a case recently decided by the High Court, affecting the Bohemian Club. It was ruled in that case that the profits or surplus income of the club were taxable, but that members' subscriptions should not be included for the purpose of ascertaining the profits or surplus income. The Taxation Department held, with propriety, I consider, that if the surplus income of a club is taxed the income derived from members' subscriptions should be included. Paragraph *b* will remedy the omission in the Act and give the Commissioner of Taxation power to include members' subscriptions in assessing the profit or surplus income of a club. I admit that it is arguable whether we should tax these institutions or not, but if they are to be taxed at all the tax should apply to the whole of their profits or surplus income.

Mr. RODGERS.—A man's subscription to a club is the residue of his income after he pays his income tax.

Mr. WATT.—The honorable member's interjection opens up a fallacy which is visible in one of the articles appearing in this morning's press. It is assumed that, because a man devotes portion of his income towards the facilities which a club affords, he is being taxed twice if the club is also taxed; but that argument holds good in regard to every bit of income. If a man earns £1,000 a year, and pays income tax on it, he pays out of his earnings to other people sums for services

rendered to him or for commodities purchased by him, and what he pays out to other people is made the subject of taxation upon these other people. That is the inevitable effect of taxation wherever it is applied. Honorable members may say that some clubs should be taxed, and that others should not be. The paragraph in the proposed new definition includes them all broadly. I have had representations made to me from clubs claiming that they should be totally exempt. Surely honorable members will not say all the income of a beneficial but important organization, such as the Commercial Travellers' Club, should be exempt. In the matter of bar takings that particular club undoubtedly competes with city businesses, which pay income tax on the sales of cigars and liquors. Why should not an institution which is called a club be subjected to the same kind of impost for revenue purposes when it is doing the same kind of business? Representations have been made to me that athletic associations, embracing football, golf, swimming, cricket, and bowling clubs, and also educational institutions, should be exempt, particularly if it can be clearly shown that they do not distribute dividends or profits among their members. I frankly admit that in dealing with such institutions we are on the border line of the question of what clubs should or should not be taxed.

Mr. MACKAY.—Will the Commissioner have any discretion in the matter?

Mr. WATT.—I cannot pronounce definitely on that point. I do not wish to give the Commissioner discretion except where it is absolutely necessary, and I say this without any disrespect to the Commissioner or his staff, which is doing its work with admirable fairness and effect; but the taxpayer is better satisfied if he is sure of his law, and is sure that options or discretions which are doubtful are not to be found in the Act. It is our purpose to make the measure as definite as we can. In this matter we do not disturb the existing law with regard to clubs; we simply give to the Commissioner a power which he thought he had but which the High Court said that he did not have, that is, to include members' subscriptions in assessing the surplus income of clubs. Some honorable members have submitted

that a club, not being promoted for profit but for a convenience of service, is a union of men who meet together with certain restrictions and rules in certain premises, those members agreeing to make up any deficit which may be shown in providing the service. The subscription is supposed to be paid in advance as the equivalent of a contribution to that anticipated deficit. I cannot accept that view. It is a very strange view. Men join clubs for something which they will get in the way of enjoyment, service, or convenience. The members agree to pay sums from £1 1s. to £12 12s. per annum, not to meet a deficit, but to finance the institution. If there is a profit on that basis of partnership or contract, it ought to be taxable on the broad general principle, which I hope honorable members will admit, however much they may desire now or later to argue for the exemption of certain clubs or associations.

Mr. JOWETT.—Would it not be possible to exempt subscriptions and entrance fees, leaving taxable the profits on the sale of food, and so forth?

Mr. WATT.—At the present time, under the decision of the High Court, the law is that subscriptions are exempt. We were under the impression that the old law made it possible to assess the whole income of the club in order to determine profits; but the protest of the Bohemian Club was upheld by the High Court, and the Commissioner is advised that he has no power, in assessing clubs, to include the subscriptions of members. It is those subscriptions that we now desire to include.

Mr. FENTON (Maribyrnong) [12.46].—The Acting Prime Minister seems very emphatic in his reply, but I wonder whether the Commissioner has any way of distinguishing between co-operative and other associations. The ramifications of co-operative companies are very similar to those of ordinary companies, so much do they enter into general business life. In Victoria, there are some companies under the Provident Societies Act, and a greater number under the general Companies Act; and I should like to know whether there is any difference in the definition. Will this clause apply to all classes of companies, such as those who distribute groceries and dairy produce, and others which include "co-

operative" as part and parcel of their title. These latter carry on business on much the same lines as do other companies, so that we find big private organizations working alongside such companies as the Western District Co-operative Company.

Mr. WATT.—I am advised by the Commissioner that it will make no difference in the mode of assessment, whether they are registered in one way or the other.

Mr. FENTON.—Do you include all co-operative companies?

Mr. WATT.—We are including them all for certain purposes.

Mr. KELLY (Wentworth) [12.48].—I dare say that the Acting Prime Minister gave the Committee the same information regarding the subscriptions and entrance fees of clubs that he gave me in good faith, namely, that he proposes only to tax the profits of those institutions.

Mr. WATT.—That is the effect of the amendment.

Mr. KELLY.—It is not the effect of the amendment. I have inquired into this matter, and I find that the Department, by this little simple amendment, seeks to declare as income what the Court has declared to be not income but capital subscription, and insists on regarding as capital accretions to all upkeep outlays against that income. In the case of a cricket club, the size of the pavilion necessarily depends on the membership, and if the latter increases, so has the pavilion accommodation to be increased. By the proposed amendment, it is declared that every ounce of income received through the increased membership is to be taxable income, and the club is not allowed to deduct one penny of the money spent in increasing the accommodation.

Mr. WATT.—The issue is not now whether subscriptions shall be taxable.

Mr. KELLY.—It is the vital issue.

Mr. WATT.—Not on the question before us, which depends on whether we are going to tax the surplus income or profits of a club, and not on whether or not subscriptions come in.

Mr. KELLY.—If it is desired to include these capital subventions as income, the club must be allowed to deduct all capital expenditure to provide new accommodation, or to keep existing accommodation in running order. The Commissioner cannot have it both ways; in

common fairness it must be one way or the other. The Court has held that subscriptions are additions to capital, and the judgment which I have read signifies that the same view is held in England, and, apparently, everywhere else. I have been supplied with an illustration, and although I am not in a position to give names, I have satisfied myself of the fact that one club made an actual loss last year of £462, owing to the loss of members, mainly on service abroad. As a rule such losses are met by a call on the members, and in the case I am citing, in spite of this loss of £462, the club is called upon to pay £67 in income tax, because the Department will not allow, as an off-set against the subscriptions, the actual amount necessary to keep the club in going order.

Mr. WATT.—I take leave to say that that is not a good presentation of the issue.

Mr. WEST.—Is there no allowance for expenditure in increasing the furniture?

Mr. KELLY.—If the membership is increased the furniture and accommodation must be increased, but the Commissioner will not allow any deduction on that account.

Mr. WATT.—Is not that an increase of assets?

Mr. KELLY.—Of course it is; just as subscriptions are held by the Court to be an increase of capital.

Mr. WATT.—In private business, if a man increases his rolling-stock, he is not allowed to write that expenditure off as a loss, but it is regarded as an addition to capital. Why not the same in the case of clubs?

Mr. KELLY.—Exactly; and if a man to increase his rolling-stock raises fresh capital he is not charged additional income tax.

Mr. WATT.—It figures, as additional assets.

Mr. KELLY.—The Court has held that anything in the way of subscriptions is an addition to capital, and not to the income.

Mr. WATT.—If this Bill becomes law the Court cannot hold that.

Mr. KELLY.—The Court, which is not a partisan, takes the view I have indicated; and I believe that if the Acting Prime Minister were to ask his learned colleague (Mr. Glynn), the latter would tell him that that is the actual position.

Mr. GLYNN.—That is as the Act is understood.

Mr. KELLY.—Unless the Bill declares to be income something which the Court holds to be capital, it will remain capital.

Mr. WATT.—How can subscriptions be held to be additions to capital if you say that subscriptions are often to meet a deficit?

Mr. KELLY.—It is not subscriptions, but special calls that are made to meet a loss.

Mr. TUDOR.—The tax will have to be paid on all.

Mr. KELLY.—Quite so. If the desire is to tax a club really on its profits, a fictitious profit ought not to be created by an unfair manipulation of what is allowed as deductions.

Mr. WATT.—And let clubs pile up large assets?

Mr. KELLY.—So long as clubs are increasing their accommodation to meet the membership, or so long as they are keeping in repair the accommodation for which the members provided by these yearly capital calls or subscriptions, the expenditure should be allowed as a deduction against the subscriptions which the Bill seeks to declare to be income, and which the Court has declared to be not income, in fact. The illustration afforded by the cricket club is unanswerable. The simplest way would be to observe the ruling of the Court, unless we differentiate between proprietary clubs and co-operative clubs.

Mr. WATT.—How would you deal in normal times with a flourishing racing club?

Mr. KELLY.—It would depend on whether the club was proprietary or non-proprietary.

Mr. WATT.—I mean a genuine racing club.

Mr. KELLY.—In any case, we are not in normal times; and this is a war tax. The Government cannot do what they propose unless they allow the deductions I have suggested.

Mr. WATT.—Not for permanent assets purchased—we cannot do that.

Mr. KELLY.—Then I shall be reluctantly compelled to do everything I can to show how grossly unfair is the action taken by the Government to reverse a just decision of the Court. We know that when a taxing Department,

or any other Department, is beaten in the Courts it resents it; and while I have great respect for the gentleman at the head of the Taxation Department—in whose services the Commonwealth is very lucky—he, and those associated with him, are subject to the ordinary influences of human nature. It will be bad for the country if any Department, the moment it is beaten, may appeal to Parliament and secure a reversal of the decision of the Court.

Mr. WATT.—It depends on the equities. There is no sanctity in law after it has been altered.

Mr. KELLY.—But you do not propose to make this alteration sacrosanct from now on; the operation of the Bill is to date back prior to the time of the decision of the Court.

Mr. WATT.—That is another matter.

Mr. TUDOR.—A subsequent clause distinctly makes the Bill retrospective.

Mr. WATT.—When we come to that clause we shall deal with the question of retrospection.

Mr. KELLY.—This reminds me of the "thimble and the pea."

Mr. WATT.—The law has now to be altered. If, on the equities, honorable members approve, well and good; and if not, well and good.

Mr. KELLY.—The best course would be to allow the Minister to make these subscriptions income, and then, by amendment, endeavour to have the proper deductions made on that legalized income.

Sitting suspended from 1 to 2.15 p.m.

Mr. KELLY.—As another illustration of the iniquity of the proposed amendment, I may mention a swimming club. Fifty or 100 men get together to form a swimming club, and they erect an enclosure to protect them from the sharks. In the course of time the piles rot, and must be replaced, or sheathed in copper. The Taxation Commissioner will tax the club for every penny of subscriptions, but will not allow any deductions for the expenditure on account of repairs or replacement. That is inequitable, and it seems to me that the Bill will create a great deal of dissatisfaction for a very small return. In a cricket club every bat bought with the subscriptions is a club asset, but that expenditure cannot be deducted from the taxable income. I

suggest to the Treasurer that this proposal should be limited to proprietary clubs—clubs run by individuals in co-operation with other persons for purposes of profit.

Mr. CONSIDINE.—Would the honorable member include all clubs?

Mr. KELLY.—I would include all proprietary clubs, but ordinary co-operative institutions which are not run for profit should be exempt. The alteration I suggest would allow of the taxation of proprietary racing clubs, which are clubs only in name, and are in reality money-making institutions. Will the Treasurer accept an amendment to insert the word "proprietary" before "club"? If he is not prepared to consider that point at this moment, I suggest the postponement of sub-paragraph *b* of paragraph *c* in order to allow of its further consideration.

Mr. WATT (Balaclava — Acting Prime Minister and Treasurer) [2.18].—I am not unprepared to argue the point which the honorable member for Wentworth has so lucidly placed before the Committee, but if it will facilitate the consideration of other important issues, and lead to progress with the Bill, I have not the slightest objection to postponing the whole of clause 2 and proceeding with the other clauses in the Bill.

Mr. HECTOR LAMOND.—Does the Treasurer propose to tax subscriptions to friendly societies?

Mr. WATT.—No; they are specially exempt under the principal Act.

Mr. TUDOR (Yarra) [2.19].—An honorable member mentioned yesterday the case of persons buying sheep off the shears, keeping them for ten months, and then selling them with the lamb at foot. Any profit made on such a transaction is certainly income, but the Department regards the transaction as the sale of assets, and does not tax the profit.

Mr. RODGERS.—There is the tax on the increment, but not on the capital.

Mr. TUDOR.—I understand that the whole proceeds of such a sale are regarded by the Department as capital, and are not taxed.

Mr. WATT (Balaclava — Acting Prime Minister and Treasurer) [2.22].—The honorable member for Hume (Mr. Falkiner) directed my attention yesterday to the point mentioned by the Leader of the Opposition. I candidly confess that I was surprised to hear that

the invariable practice of the Department is as was stated by the honorable member. It seems to me that the proceeds of such sales are a legitimate subject for income taxation, and I will confer with the Commissioner in regard to the matter before the Bill leaves this House.

Mr. WEST (East Sydney) [2.24].—I should like to bring under the notice of the Treasurer the position of the Sydney Trades Hall. The building is owned by the trade unions subject to a mortgage of £24,000 to the Commonwealth Bank. No profit is made from it, and there is no possibility of a profit being made for the next twenty-five years. The hall cannot be registered as a trade union, because there is no contribution. We are compelled to register it as a company, and we have had to pay taxation. It is the only hall that is taxed.

Mr. WATT.—Why have you had to pay taxation if there is no profit?

Mr. WEST.—Because owing to the fact of the hall being registered under the Companies Act the Commissioner has no power to exempt it from taxation. The Commissioner himself has no power to deal with this matter, which rests entirely with the Treasurer. I have no objection to the Bill, because I know that it is necessary we should secure additional revenue. I am content, therefore, to leave the matter in the hands of the Acting Prime Minister, who, I hope, will consider my representations.

Mr. WATT.—I will confer with the Commissioner of Taxation upon the matter.

Mr. FALKINER (Hume) [2.26].—Before the clause is postponed I wish to direct the attention of the Treasurer to the practice of the Department in regard to income derived from property. I think that any income from property that is spent upon rabbit destruction, which is a national benefit, should be allowed as a deduction from the owner's taxable income. At the present moment, if a land-owner chooses to fool away, say, £400 a year upon the poison cart, he is allowed to deduct that expenditure from his taxable income. But if, on the other hand, he decides to thoroughly eradicate the pest in one year, either by ploughing in, or digging out, the warrens, the expenditure which he thus incurs is not treated in the same way. It is regarded as expenditure upon an improvement. As a

matter of fact, the eradication of the pest does not constitute an improvement, because the land-owner, by so acting, is merely maintaining the income-producing capacity of his land. For this reason I claim that any expenditure upon rabbit destruction should be allowed as a deduction from a land-owner's taxable income. The present practice of the Department is an absolutely vicious one.

Mr. CONSIDINE (Barrier) [2.29].—I should like to see co-operative societies exempted from the provisions of this Bill. Upon the Barrier we have a co-operative society which deals in various commodities, and which was established primarily for the purpose of reducing the cost of living to the consumers there. In connexion with this matter I received a communication from the Barrier district of the Political Labour League some time ago—a copy of which was forwarded to the Prime Minister—in which that body demanded "that immediate action be taken by the Federal Government against the ever-increasing cost of commodities in Broken Hill."

Mr. WATT.—Was it a "demand" or a "request"?

Mr. CONSIDINE.—A demand. I may add that the principal cause of the industrial unrest in Broken Hill is the enormous increase which has taken place there in the cost of living. Upon the occasion of my last visit to that centre, I had a list drawn up for me by the managers of one of the business concerns there, in which the prices that obtained for commodities in March, 1918, were contrasted with the prices that obtained in May, 1916—two years after the outbreak of war. That list comprises every day articles which are used by the men and women on the Barrier.

The TEMPORARY CHAIRMAN (Mr. Charlton).—The honorable member must connect his remarks with the motion for the postponement of this clause.

Mr. CONSIDINE.—I wish to see co-operative societies exempted from the operation of this Bill.

Mr. RICHARD FOSTER.—Co-operative stores are competing stores. They compete with other businesses.

Mr. CONSIDINE.—Nothing of the kind. The co-operative society at Broken Hill was established for the purpose of reducing the cost of the necessities of life. If this institution be taxed it will only

impose an additional hardship upon the people.

Mr. FALKINER.—Why cannot it reduce its prices so that it does not make a profit?

Mr. CONSIDINE.—Because the retailers in Broken Hill have to sell at the prices which are fixed by the wholesalers. The honorable member knows that as well as I do, and perhaps a good deal better. Co-operative societies are established primarily for the purpose of making the conditions of life easier for the people, and consequently they ought not to come under the provisions of this measure.

Mr. RICHARD FOSTER.—Why should they not?

Mr. JOWETT.—Because they have no real income.

Mr. CONSIDINE.—I have said that the industrial unrest in Broken Hill is mainly due to the high cost of the necessities of life.

Mr. RICHARD FOSTER.—Some of these societies charge more than do the businesses which deal with them. The honorable member knows that unionists are obliged to deal with them.

Mr. CONSIDINE.—There is no compulsion on any man in Broken Hill to deal with a particular store. There has never been, except in strike time, when coupons have been distributed.

Mr. RICHARD FOSTER.—There has been in ordinary times.

Mr. SPENCE.—Do not co-operative societies divide their profits amongst their customers?

Mr. CONSIDINE.—Yes, when there are any profits to divide. My point is that under this clause an added burden will be imposed upon the people of the Barrier. The prices which, with your permission, sir, I propose quoting, go to show the necessity of exempting from the provisions of this measure all co-operative societies that materially reduce the cost of living to the workers.

The TEMPORARY CHAIRMAN (Mr. Charlton).—The honorable member cannot do more at this stage than give reasons why the clause should not be postponed, as proposed, by the Treasurer.

Mr. WALLACE (West Sydney) [2.36].—I do not wish to object to the postponement of the clause; but, as I may not be here when its consideration is resumed, I wish to make a few observations

in favour of the exemption of co-operative societies.

The TEMPORARY CHAIRMAN.—The honorable member cannot do so at this stage, as the question before the Chair is that the clause be postponed.

Clause postponed.

Clauses 3 to 14 agreed to.

Clause 15 (Special deduction).

Mr. JOWETT.—I desired to deal with clause 14, but the business is being pushed through so rapidly that one has no time to compare the clauses of this Bill with the sections of the principal Act which they are designed to amend.

Mr. WATT.—I will consider the question of recommitting clause 14 later on.

Mr. FALKINER.—Will that promise hold good also in regard to clause 12. I have the greatest objection to mining companies which reduce their output as the price of their product increases, being dealt with as proposed in that clause.

Mr. WATT.—If the honorable member will give me later on a good reason for recommitting clause 12, I shall consider it.

Clause agreed to.

Clause 16 (Amendment of section 20).

Mr. TUDOR (Yarra) [2.42].—I know that the object of a Government at all times is to have its measures passed as quickly as possible, but our experience is that the hasty passing of legislation frequently necessitates an amendment of the law. The Treasurer gave us a full and elaborate exposition of the principles of this Bill when moving that it be read a second time, and his speech has since been made available to honorable members. But it is quite impossible, when clause after clause is hurriedly passed, to compare the Bill with the principal Act, and so to gather the effect of the proposed amendments.

Mr. FALKINER.—We hardly have time to breathe, let alone pick up anything.

Mr. TUDOR.—Our object is to tax those who are picking up income, and to tax them fairly. I understand that it is desired by honorable members that one or two clauses already dealt with shall be recommitted, and I believe the Treasurer will have no objection to that.

Mr. FOWLER (Perth) [2.44].—I wish to express my surprise that we have made such rapid progress with the Bill. When we adjourned for lunch, we were at clause 2, and now, within less than three-quarters

of an hour of the resumption of proceeding, we have reached clause 16. I had intended to call the attention of the Treasurer to the provisions of clause 12, which are of very considerable importance to citizens of Western Australia. I understand that the Treasurer has offered to recommit that clause.

Mr. WATT.—I do not desire to give any general promise, but I have already undertaken to consider a request to recommit clause 14. In reply to the honorable member for Hume (Mr. Falkiner) I said that if proper representations were made to me, I would also consider the recommitment of clause 12.

Mr. FOWLER (Perth) [2.45].—I have much pleasure in suggesting to the Treasurer that clause 12 be also recommitment. I discussed a matter with him this morning before the Bill came under consideration—

The ACTING CHAIRMAN (Mr. Charlton).—Clause 12 has already been passed. If the honorable member desires its recommitment it will be necessary for him to move in that direction when the Bill is reported to the House.

Mr. WATT.—I will discuss the matter with the honorable member later.

Clause agreed to.

Clause 17 (Amendment of section 21 of the principal Act).

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [2.47].—Section 21 of the principal Act deals with the set-off of losses against profits generally where a taxpayer carries on one or more businesses.

Mr. FALKINER (Hume) [2.48].—May I suggest to the Treasurer that, instead of simply allowing a taxpayer to deduct the loss he makes on one business from the profit he makes on another, it would be much fairer to have a continuous balance-sheet? The Income Tax Commissioner has our balance-sheets from one year to another, and if we make a loss one year we should be allowed to carry it forward and set it off against any profit in the subsequent year, as we do in our ordinary business. If a man makes a huge loss one year and a small profit the next year, it may place him in great difficulty to call on him to pay income tax on that profit, which, in many cases, especially with primary producers, is

purely a book profit, the income not being realized. Now that taxation is becoming so heavy, the Treasurer might give attention to that suggestion.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [2.49].—I thank the honorable member for the suggestion, but at this particular time, reaching out for better equity and more money, as we are doing now and shall do shortly, I do not want to listen to suggestions involving any large release of current revenue. The honorable member urges a counsel of perfection when he advocates an income tax system which would look backwards and forwards at every assessment.

Mr. ARCHIBALD.—Would not the same suggestion apply to personal exertion?

Mr. WATT.—It might be argued that if a man was unemployed in one year, and had a good year the next, he should be allowed to set one off against the other. I do not know any country in the world that has adopted that system.

Mr. FALKINER.—Why not do what the members of the Opposition say they do—make precedents?

Mr. WATT.—I should ask the Committee to make it if I thought it would lead to a better system or better revenue. While it might lead to an improvement that would be appreciated by the community, the sacrifice of revenue would probably be very large.

Mr. FALKINER.—Then why not put on a higher rate?

Mr. WATT.—I can assure my honorable friend that he will get that, too, later on, and not as a substitute for anything that is being done now. If we can get the principles of assessment placed in a healthy condition, as we are attempting in this Bill, the rate questions will come up next year, the finances for this year having already been settled by the Budget. I ask the honorable member to accept the wording of the clause as more equitable under the present law.

Clause agreed to.

Clause 18 (Ship charterers; amendment of section 22 of the principal Act).

Mr. TUDOR (Yarra) [2.52].—Under section 22 of the principal Act every person whose principal place of business is out of Australia, and who, either as owner or charterer of any ship, carries passengers, live stock, mails, or goods

shipped in Australia, must by his agent in Australia make a return of the full amount payable to him, whether in or beyond Australia, for the carriage of such passengers, live stock, mails, or goods, and the agent is assessed and liable to pay tax on 5 per cent. of the amount so payable. I understand that this clause substitutes 10 per cent. for 5 per cent. of the value of the freight.

Mr. WATT.—No; he was assessed on 5 per cent. of the net profit. This clause makes it 10 per cent.

Mr. TUDOR.—Is it not on the freight?

Mr. WATT.—No; it is always on the profit.

Mr. TUDOR.—And the Government are now taking double?

Mr. WATT.—Yes.

Mr. TUDOR.—I do not object.

Clause agreed to.

Clause 19 to 23 agreed to.

Clause 24—

Section thirty-three of the principal Act is amended by adding at the end of sub-section (2) thereof the following proviso:—

“Provided that where the alteration in the assessment is due to an application by the taxpayer no refund shall be given if the application has not been made within two years after the payment of the tax.”

Mr. TUDOR (Yarra) [2.54].—Previously there was no time limit in the case of an application for a refund. The honorable member for Kooyong (Sir Robert Best) argued on the second reading that it was not fair to limit the right of the taxpayer to a refund to two years when the Income Tax authorities had the right to go back as far as they liked to recover arrears of tax. I admit that very few people overpay, and that is borne out by my experience in the Customs Department; but I do not see much advantage in imposing a time limit of two years, nor am I at all sure that we are going on right lines.

Mr. HECTOR LAMOND (Illawarra) [2.55].—Is it a fact that disputed claims have been in the Taxation Office for more than three years? It has been stated that it is exceedingly difficult to obtain a resolution of some of the claims sent into the Taxation Department, and that these are hung up for an unconscionable time. Will this limitation debar from redress persons whose claims have not been determined, not because of their fault, but because of the delay of officials.

Mr. RICHARD FOSTER.—It is the application that must be made within two years, not the payment.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [2.57].—The Commissioner informs me that so far as he knows it is not correct that there is a large number of arrears in the office. He speaks, of course, with complete knowledge of the business of the head office. There may be a few difficult cases still unsettled in New South Wales, but they do not go back so far as 1916, when the income tax was first imposed. Attempts have recently been made by the administration to catch up with all the arrears, and considerable progress towards that end has been made in most of the States.

Mr. SINCLAIR.—As I read the clause it is the period within which application for a refund must be made that is limited to two years.

Mr. WATT.—That is the effect of the proposed addition to the original section, which provides that when an alteration in an assessment has the effect of reducing the taxpayers' liability, the Commissioner may refund any sum that has been overpaid. What is desired is finality in regard to applications for refunds.

Mr. TUDOR (Yarra) [2.59].—The honorable member for Kooyong has complained of the iniquity of limiting taxpayers to two years in the matter of refunds, while the Government may go back as far as it likes to collect what is due to it. My view is that we should give others the treatment that we insist upon getting from them. If taxes have been wrongfully collected, or there has been an overpayment, the taxpayer should be able to get redress after any period. This provision may have been copied from one in the Customs Act, which limits exportation in certain cases for a period of three years.

Sir ROBERT BEST (Kooyong) [3.0].—I have pointed out that the clause is one-sided, as the taxpayer can obtain redress only within a period of two years, whereas the Government may go back twenty years. I suggest that we should follow the South Australian Act in this particular, and make the period three years.

Mr. WATT.—The Conference of Taxation Commissioners agreed to the two years' limitation.

Sir ROBERT BEST.—That is not final. Three years would be a fair compromise.

Amendment (by Mr. WATT) proposed—

That the word "two", line 8, be left out, with a view to the insertion of the word "three".

Mr. FENTON (Maribyrnong) [3.2].—I understand that if the amendment is carried taxpayers will not be able to get a refund of an overpayment if more than three years have elapsed before they discover that they have overpaid.

Mr. WATT.—The object of the provision is to limit the period within which applications for refunds may be made.

Mr. FENTON.—The Statute of Limitations applying to private debts has a period of six years.

Mr. WATT.—The man who does not discover his rights within three years is not likely to wake up at all.

Mr. FENTON.—Injustice might be inflicted which could only be discovered by the decision of a Court, or in some other way after three years. However, as the money will go into the public Treasury, perhaps no great harm will be done.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 25 agreed to.

Clause 26—

Section 41 of the principal Act is amended by adding thereto the following sub-section:—

"(3) Whenever the Commissioner has reason to believe that any taxpayer establishing or carrying on business in Australia intends to carry on such business for a short time only, he may at any time and from time to time require the taxpayer to give security by way of bond or deposit or otherwise to the satisfaction of the Commissioner for the due return of any payment of income tax on the income derived from the business."

Mr. FALKINER (Riverina) [3.3].—Surely a definite sum, or some percentage of the approximate income, should be stated as the amount of security provided for in the proposed new sub-section.

Mr. TUDOR (Yarra) [3.4].—The object of the proposed new sub-section is to provide for the taxation of visiting theatrical and musical artists and business people, who, I presume, will be taxed on their earnings here at the rate which would apply to them were they resident in Australia.

Mr. RODGERS.—And security is demanded to prevent them from absconding without paying their tax.

Mr. FALKINER.—The clause does not say the amount.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [3.5].—It is impossible to say the amount. It has to bear a relation to the expected profits.

Mr. FALKINER.—Quite so.

Mr. WATT.—The Commissioner of Taxation can better determine that than we could in any clause of this Bill. Cases have occurred where persons have visited Australia for a brief period, have made substantial sums of money, and have sometimes left the country without paying any taxation. In some cases, after much trouble, such persons have been compelled to pay. A provision of this kind has been included in the law of Tasmania for some years, and has worked satisfactorily. It is now recommended for the careful consideration of the Governments of all the States and of the Commonwealth by the Taxation Commissioners' Conference. I think we can leave the discretion provided for in the clause to the Commissioner of Taxation with complete confidence.

Mr. FALKINER (Hume) [3.6].—After listening to the Treasurer's remarks I think there should be a definite percentage of the approximate income stated. The clause is too wide as it reads at present.

Mr. WATT.—How could that be done? It is impossible to say what the rate of taxation would be.

Mr. FALKINER.—As the person is carrying on business in Australia the Taxation Department should have some idea of the income from that business.

Clause agreed to.

Clause 27—

Section 43 of the principal Act is amended by omitting from the proviso thereto the words "The Commissioner shall furnish to the Treasurer annually for presentation to Parliament a report of all such remissions with a statement of the reasons therefor."

Mr. HECTOR LAMOND (Illawarra) [3.7].—Perhaps the Treasurer will give the Committee some reason for the omission of these words.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [3.8].—It is regarded as improper to furnish publicly, as the original section required, such information as this. We took a similar course, when dealing with the War-time Profits Tax Bill, to prevent what Parliament has sought to prevent in connexion

with many taxation measures, namely, the giving of publicity to the private affairs of individuals, whether defaulters or not.

Mr. HECTOR LAMOND.—This provision is the same as that in the War-time Profits Tax Act?

Mr. WATT.—In this respect, yes.

Clause agreed to.

Clauses 28 to 31 agreed to.

Clause 32—

After section fifty of the principal Act the following sections are inserted:—

“50A.—(1) In any case where any taxpayer employed by or receiving a pension from any person, local authority, corporation, board, commission, or body has in any year failed to pay the income tax payable by him within sixty days after he has been required to pay the same pursuant to the provisions of this Act, the Commissioner may declare such person, local authority, corporation, board, commission or body to be the agent of such taxpayer so far as respects the income by way of earnings, salary, wages, allowances, pension, or stipend paid or allowed by him or it to the taxpayer.

“(2) The Commissioner may give notice to such agent setting forth the fact that the taxpayer has failed to pay the tax payable by him, and requiring the agent to pay the same on behalf of the taxpayer.

“(3) The agent shall thereupon deduct and retain from time to time out of the earnings, salary, wages, allowances, pension, or stipend respectively payable by him to the taxpayer so much as is sufficient to pay the income tax, and shall pay the same in pursuance of this Act; and for any default in so doing the agent shall be liable, in addition to the tax, to a penalty not exceeding Five pounds.

“(4) For the purposes of this section ‘tax’ includes ‘additional tax’ required to be paid in accordance with this Act.

“50B. Where the Commissioner is of opinion that a person in receipt of income is liable to pay tax and that it is difficult to ascertain the whereabouts of that person or to collect the tax from him, the Commissioner may require any person making payments to that person—

(a) to deduct from any payment which is or will become due to that person such an amount as will be sufficient to pay the income tax which the Commissioner may assess to be paid by that person; and

(b) to pay the amount to the Commissioner forthwith.”

Mr. TUDOR (Yarra) [3.9].—This clause makes provision for the collection of an employee's income tax by his employer. It is one of the greatest innovations ever proposed in connexion with a taxation measure. I am not averse to

treading new ground, or to the creation of a precedent; but, to give an employer the right to withhold moneys due to an employee in order to secure the payment of the employee's income tax, is throwing upon the employer the responsibility for doing work which should be done by the Taxation Department.

Mr. RICHARD FOSTER.—The employer is not obliged to do it.

Mr. TUDOR.—He will be obliged to do it under this clause.

Mr. RICHARD FOSTER.—Not unless he holds the money.

Mr. TUDOR.—He may be obliged, under this clause, to see that every one of his employees pay his income tax.

Mr. WATT.—No.

Mr. HECTOR LAMOND.—Only if the Commissioner of Taxation asks him to do so.

Mr. TUDOR.—Just so, and immediately this measure is passed the Commissioner of Taxation may issue an instruction to every employer throughout the Commonwealth to hold sufficient moneys due to his employees to cover the payment of their income tax.

Mr. WATT.—No. Where an employee has failed to pay his income tax, the Commissioner of Taxation may go to his employer and say, “I want you to collect this man's income tax.”

Mr. CONSIDINE.—It is like a garnishee order.

Mr. TUDOR.—Yes, it is.

Mr. WATT.—It is a much more summary method than that provided by a garnishee order.

Mr. TUDOR.—A man must go to a Court to obtain a garnishee order.

Mr. WATT.—This is better than proceedings in a Court.

Mr. TUDOR.—How is it better? The Government in this clause are throwing upon the employer the responsibility of collecting income tax due by his employees. That is not a proper provision from the employees' point of view, nor is it fair to the employer. I had some experience of a somewhat similar provision when I was in charge of the Department of Trade and Customs. In order to obtain the bonus granted by Parliament in aid of certain industries, employers had to comply with certain conditions and to pay certain rates of wages. The Minister had no authority

to pay the bonus until he was satisfied that the conditions were fulfilled. It was found in a great many cases that the conditions were not complied with.

SIR ROBERT BEST.—In connexion with the sugar industry.

Mr. TUDOR.—Perhaps I should have mentioned that this arose particularly in connexion with the sugar industry, although similar provisions applied to the payment of bonuses in other industries. Workers in the sugar industry are somewhat nomadic, and when they leave their employment it is often difficult to trace them. The employers could not obtain the bonus until they had paid their men the standard rates of wages, and in some cases the Department had to deduct the wages due to workers, and was then unable to trace them. Under sub-section 3 of the proposed new section 50A an employer may be required to deduct from the wages due to an employee an amount sufficient to pay the income tax due by the employee. What would happen if the employer retained more than was necessary to pay the tax? I think that this is a clause which the Committee should not pass. We should let the Taxation Department do its own work. There are proper Courts to which the Department can apply where income tax is not paid, and we should not require an employer, who may be compelled by an Act of Parliament to pay an employee a stipulated rate of wages, to retain any part of those wages to cover the payment of income tax.

Mr. RODGERS (Wannon) [3.14].—While the honorable member for Yarra (Mr. Tudor) was speaking, it occurred to me that this clause may give rise to confusion in the case of institutions employing large staffs, and making provision for superannuation and other such funds. I should like the Treasurer to say whether a provident or superannuation fund of such institutions would be regarded as a fund from which money might be deducted for the payment of income tax due by employees.

Mr. BRENNAN (Batman) [3.15].—The clause is objectionable, because it amounts, not only to an act of garnishee, but also to an act of garnishee without judgment having been previously obtained. The power which is vested in the

Commissioner of Taxation to seize this fund without any proof, according to the ordinary standards of proof of debt, that the money is due, is not only unfair to the person against whom the claim is made, it is also unfair to the employer. He is naturally under the constant necessity of seeing that his employee pays, and is always under the apprehension that he may get into trouble if the amount is not paid. Is it a fair thing to hold that an employee is justly indebted until his debt has been proved in the ordinary way? If I furnish a return and do not pay my tax, judicial proceedings are taken against me in order to establish the right of the Commissioner to seize my goods; but here no such procedure is necessary; the Commissioner simply says, "The money is due, and I am going to take it from the agent, as I have the power to penalize him if he does not pay." The usual procedure is for garnishee orders to follow a judgment of a Court, but we have an inversion of that procedure when it is proposed to make the seizure before establishing the proof of debt.

Mr. PIGOTT (Calare) [3.18].—If any individual does not pay his tax by a certain date proceedings are taken against him by the Commissioner, and if an employee does not pay his tax within sixty days he is in the same position. I do not think that the clause is aimed at the employee any more than it does at the ordinary taxpayer.

Mr. CONSIDINE (Barrier) [3.19].—I object to the Commissioner having the power to seize the wages belonging to an employee, or the power to authorize an employer to seize an employee's wages. If we concede this power to one Department, we shall have all other branches of the Service adopting the same procedure.

Mr. CORSER.—It is simply an act of garnishee.

Mr. CONSIDINE.—A garnishee is obtained by civil process; but, as the honorable member for Batman has pointed out, this clause aims at direct action. In New South Wales garnishee proceedings were introduced into the Industrial Arbitration Act. If a man committed a breach of the Act, the garnishee order of the Government was the first charge on

his wages; but that order could only be obtained after civil process.

Mr. CORSER.—Because the debt had not been proved to be due. In this case the Commissioner has the power to say that the money is due, and then he garnishees it.

Mr. CONSIDINE.—I object to giving the employer the right to make any deduction from the wages of an employee whom the Commissioner may say is liable for the payment of the tax.

Mr. RODGERS.—This provision does not interfere with the right of the taxpayer to sue for the recovery of any amount which has been improperly deducted from his wages.

Mr. CONSIDINE.—An employee should not be put to the expense of recovering by legal process anything taken from him illegally. This provision is on a par with the attitude that the honorable member's party have assumed in regard to the War Precautions Regulations, which place on the individual the onus of proving his innocence, when the usual practice in British countries is for a man to be deemed to be innocent until he is proved to be guilty.

Mr. RODGERS.—In this case we are dealing with a pretty fleet individual, who is evading the Commissioner of Taxation.

Mr. CONSIDINE.—I do not care how slick the individual may be, I object to any Government Department having the power, by arrangement with an employer, to deduct anything from an employee's wages. There is nothing to prevent an employer making deductions from an employee's wages and telling him that so much has been deducted for payment of income tax. I object to the employers being utilized as policemen. I object to employers interfering with wages received for work done by their employees. I object to giving the opportunity to unscrupulous employers to deduct amounts from the wages of workers who are travelling throughout Australia.

Mr. PIGOTT.—That system is in vogue in Great Britain.

Mr. CONSIDINE.—I do not care if it is. We are dealing with this matter from our point of view, and not that of the Imperial Government. If they have adopted what we regard as an improper

system, there is no reason why we should follow them.

Mr. PIGOTT.—But members of your party were quoting the Imperial Government a good deal yesterday.

Mr. CONSIDINE.—But we were then referring to their lapse from grace, and showing how far the Imperial Government had departed from the traditions of the British race. The principle contained in the clause would be a bad precedent to establish, because it would place in the hands of unscrupulous employers—and I suppose honorable members opposite will not deny that there are unscrupulous employers—a power by means of which they might bamboozle employees, and make certain deductions from their wages.

Mr. CORSER.—But before doing that they would have to produce their authority.

Mr. CONSIDINE.—It is quite possible that some workmen would accept a statement from their employers that a communication had been received from a Taxation Department instructing them to deduct portion of wages in payment of income tax. From the working-class point of view, the principle is objectionable, and I should think that the employers themselves have no desire to be placed in the position of agents for the Taxation Department.

Mr. FALKINER (Hume) [3.30].—I have no wish to make any digression upon unscrupulous employers and so on, but I have had some experience of human nature, and have found that both the employer and the employee are, as a rule, pretty full or original sin. I have been "had" by both. In regard to the clause under discussion, I do not think that the ordinary employer has any desire to undertake the duty of collecting the tax. Let the departmental officials, if they can ascertain the whereabouts of a taxpayer, collect the tax direct, and not lay the duty upon the employer. The obvious objection to this course is that by the time the Department finds out where a taxpayer is employed, and sends a notice along, the employee—bearing in mind the short stay which they usually make with employers nowadays—would probably be gone. The ordinary employer has no desire to undertake this job. I admit, of course, that the nomadic instincts of a certain section of the workers causes a large amount of trouble to the Department. Some of these men change

their names more often than they do their coats; with every job they take they have a new name, but this is the responsibility, not of the ordinary employer, but of the Department, and the Department should shoulder it.

Mr. CHARLTON (Hunter) [3.31].—I think paragraph 3 of the proposed new clause will have a very far-reaching effect. It will establish a precedent which, to my mind, cannot be regarded as equitable. I do not think any honorable member can contend that it is right to ask an employer of labour to deduct wages from an employee who may be in default with his income-tax payments. I cannot, for one moment, understand why the Department could not take action against a defaulting taxpayer by the ordinary process of law.

Lord FORREST.—They cannot catch him; he changes his name.

Mr. CHARLTON. — A taxpayer charged with default should have an opportunity of defending himself; and I am not going to accept the statement that defaulters cannot be found in this country, because, as a rule, they are traced easily enough. I cannot imagine that this clause will apply to anybody but the working men, and I quite agree with the honorable member who preceded me that employers do not wish to have this duty cast upon them. In fact, if we compel employers to collect the tax, I can foresee the time when, if a man asks for employment, his prospective employer will say to him, "Have you paid your income tax?" If the man says, in reply, "I am not quite sure if I paid last year's tax," the employer will say, "Well, you cannot get employment here, because I do not want to be obliged to deduct money from your wages." Let us consider, also, what would be the position in cases where men are paid by results. It may be simple enough for an employer whose men are on a weekly wage to deduct a certain amount each week; but where a number of men are paid by results, in, say, metalliferous mines, or in coal-mining districts, it would be very awkward for the employer to deduct so much money from the varying amounts due to different men.

Mr. FENTON.—Another set of books would be required.

Mr. CHARLTON.—It would cause a good deal of trouble, and certainly would not lead to good fellowship, and

I am very much afraid it would interfere with employment of men in the mining industry. The Minister in charge would be well advised to eliminate the clause. I cannot see any insuperable difficulty in the way of collecting money due for income tax by the ordinary process. Indeed, unless this course is adopted, the men charged with being defaulters will not have a chance of proving whether they are in debt to the Department or not. Excellent though the officers of the Department may be, they are capable of making mistakes; and as many workmen are not accustomed to filling in income tax forms—the procedure being quite new—and as many of them do not know at the end of the year whether they have earned sufficient to bring them within the provisions of the income tax, difficulties are likely to arise if employers are required in certain instances to deduct money from amounts due to their employees. When a return is sent in by an employer showing the number of employees and their earnings per year, the Income Tax Commissioner may see the case of two men working together, and receiving £320 between them. The Commissioner discovers that one of the men has not sent in a return, and comes to the conclusion that half of the £320 has been earned by him, because the two men are described as working mates. When one of the men does not send in a return, the Commissioner after a time writes and informs him that his income has been assessed at so much, although that man may not have been working for half the year, or may have been in hospital, with the result that his earnings may be only £74. However, because of the return from the employer, which the latter is bound to send in, the Commissioner has to take steps to recover. The man involved may be illiterate, and not know what to do, and if he seeks employment elsewhere, his new employer is directed by the Commissioner to deduct from his wages the 10s. or £1 said to be due as income tax.

Mr. CORSER.—The man has had an opportunity to check the amount.

Mr. CHARLTON.—Not at all. The result is that this money is deducted from the man's wages, and, probably, an injustice done by the collection of money to which the Commissioner is not entitled. As I say, the employer cannot

help himself, because, under penalty, he has to send in a return. Let me state a case in point. A few weeks ago, a man came to my house, and informed me that he was in trouble because he had not sent in a return to the Commissioner. In answer to inquiries, he said that he might have earned over £156, working as he did for a daily wage of 11s. a day, and, as it turned out, he had earned just a trifle over. But he had four children under the age of sixteen, and he had not sent in a return, believing that he was not taxable; and the result was that the Commissioner assessed him without any return. Such mistakes are bound to be made, and the Commissioner, of course, is not to blame.

LORD FORREST.—If something is not done, people will not send in returns this year, or the year after.

Mr. CHARLTON.—Once it is shown to be necessary to send in returns, people will take care that returns are furnished. This, it must be remembered, is a new process, which places both the employer and employee in a wrong position. The Taxation Department ought to take the responsibility of proving that a person is indebted; and that cannot be done if this clause is allowed to pass as it is drafted. I feel sure that the provision, if accepted, will prove to the detriment of working men; and although I hope that the Minister will see the necessity for an amendment without any formal action, I move—

That sub-clause 3 be omitted from the proposed new clause 50A.

Mr. RODGERS (Wannon) [3.39].—In my opinion the two or three previous speakers have altogether magnified the position, particularly the honorable member for Hunter (Mr. Charlton). According to the Act there is a clear method of proof of liability, and there can be no question of liability after a certain time, whether it be the case of a working man, or of a business man. Notice is sent out, and sixty days are allowed in which an appeal may be made, as set forth in the clause. The liability is created before the taxpayer is called on at all, and the same law applies to the whole of the community. On both sides of the House there are many advocates of a social insurance scheme, under which provision would be made for the deduction of the

premiums by the employer from the wages of his employees, and the clause before us presents only a modified form of the immense amount of bookkeeping that would be necessary under such a scheme.

Mr. CONSIDINE.—Does the honorable member regard income taxation as a social reform?

Mr. RODGERS.—Do not confuse two issues. Employers have undertaken a much more difficult task in connexion with the recent war loans. Right throughout the community employers have appealed to employees to subscribe to these loans, with a provision for the periodic deduction of the subscriptions from wages. There seems to me to be no real difficulty in the business, and while there have been general statements from honorable members opposite as to the liability thrown on employers, it is forgotten that that liability exists only in respect of the employee who is a defaulter. We may assume that the great body of taxpayers will themselves see to the payment of the tax, and the only man with whom we are now concerned is the man who has become an actual defaulter by process of law.

Mr. BRENNAN.—You have left out one stage, and that is the procedure by which the money is finally recovered.

Mr. RODGERS.—That is a detail. I remind the honorable member that if it were necessary for the Commissioner to proceed in a civil Court, he could, on a judgment, garnishee the wages of a defaulting taxpayer. Under the Bill, for the purpose of conserving the revenue, an obligation is thrown on both the employer and employee, and I cannot see how any injustice can be done.

Mr. CHARLTON.—In the case I quoted, the man had to pay 25s. before he could appeal.

Mr. RODGERS.—Surely there is an obligation to either pay or appeal?

Mr. CHARLTON.—But the man is not a taxpayer—that is the trouble.

Mr. RODGERS.—That does not affect the matter at all. If he got an assessment he had recourse to law, of which he did not avail himself. All he had to do was to lodge his appeal, or make a personal statement, supported by affidavit. Honorable members opposite seem to be concerned solely about the defaulter, who will neither take the

trouble to lodge a return; nor interview the taxing master within the time allowed. I cannot see that any reasonable objection can be taken to the clause. I would like the Minister to answer the point I raised previously, that is, whether funds specially created for such purposes as superannuation will be liable for payments in the ordinary way that current salary would be. Such funds as that which I have indicated are created, and they pass out, for the time being, from the control even of the employer, and are specially invested by trustees for superannuation purposes later on.

Mr. GLYNN (Angas—Minister for Home and Territories) [3.46].—Such funds cannot be touched, because the payments would be appropriated to something else, and could not be due, therefore, by the employer. All he could levy on would be payments directly due by him, and for that reason in clause 3 reference is made to "earnings, salary, wages, allowances, pensions, or stipends." That would exclude payments of the class to which the honorable member refers.

Mr. RODGERS.—With respect to some funds there are allowances made by the employer as well as the deductions from the employee's wages.

Mr. GLYNN.—Yes, but any payments allotted according to some scheme, such as is provided for earlier in the Act, would be in the nature of obligations. This is only to cover moneys not paid to the employee which would otherwise be due to him. The honorable member for Batman (Mr. Brennan) mentioned that he considered it unfair that we should take the whole of those payments when we had not really found out whether they were due or not. The same applies to all garnishee payments. All one can do is to try to garnishee moneys due. It is the same principle. It saves expense. The Commissioner of Taxation, of course, must exercise a liberal discretion in relation both to employees and employers. He must not give notice and proceed against them for not paying up, because if he did that the payments might be challenged, and it is the duty of every administrator to avoid litigation. I may say that I am speaking now as a politician, and not as a lawyer.

Sir ROBERT BEST (Kooyong) [3.49].—Much has been made of the argument that a grave hardship will be inflicted by this clause upon the employees. So far as I am concerned, the clause, as a whole, is not acceptable from any stand-point. Probably it will be resented as much by the employer as by the employee, because it will be a disagreeable task for the former to have to make deductions from wages. The clause is inserted, however, to meet a very serious difficulty—one which has occasioned considerable thought on the part of the Minister and the Commissioner of Taxation, owing to the vast number of men who, unhappily, shirk their responsibilities, and refuse to send in their returns. And it does not pay to pursue such persons, either. The clause under discussion is devised, therefore, to make them shoulder their responsibilities. The first thing is that the employee has to be served. He is not to be judged liable without notice. If he is wrongly charged he has the right to make representations to the Commissioner of Taxation. He may resort to appeal, but he will not be adjudged as owing the money without notice; it will not be deducted from his wages without notice having been given. He has, in fact, the fullest opportunity of appeal. This does not refer to a case in which notice has not been actually served. Then, if a person remains in default for 60 days, notice is given to the employer, and on him is imposed the disagreeable task of making a deduction.

Mr. BRENNAN.—Why is it that the employee should be the only person deprived of his right, with the ultimate result of being sued, and of having to defend a claim, under this clause?

Sir ROBERT BEST.—There is a degree of difference, by reason of the daily experience of the Commissioner of Taxation, who states that it is almost impossible to trace hundreds of people. This is the only means of collecting the money, because such persons, in vast numbers, deliberately refuse to pay. The provision here is intended to make them face their responsibilities. The principle is practically the same as that of garnishee. The clause only partially meets the difficulty in which the Commissioner is placed in respect of persons who refuse

to send in returns, and who cannot be traced at all. I refer particularly to the nomadic section of the community. As for the British law, there is no such provision, I believe; but there is provision adopting the same principle so far as insurance is concerned. That is both under the German and the British law. It is a matter of throwing on the employer the responsibility of making deductions for contributions to funds.

Mr. CONSIDINE.—Yes; but those funds are controlled by the employers' organization in Germany.

Sir ROBERT BEST.—It is a system of compulsory insurance. I am referring only to the principle. As for this clause, I do not like it; yet it is a matter of grim necessity.

Progress reported.

ADJOURNMENT.

CENSORSHIP: DEPORTATION OF ITALIANS

—UNEMPLOYMENT AT LITHGOW—RE-

CRUITING CONFERENCE AGREEMENT—

CASE OF PRIVATE TOM WHITTON—

REPATRIATION: MEDICAL EXAMINA-

TION—COUNTRY RACING CLUBS—MR.

J. H. CATTS AND SENATOR PEARCE.

Motion (by Mr. GLYNN) proposed—

That the House do now adjourn.

Mr. HIGGS (Capricornia) [3.55].—I ask the Government to reconsider the matter of the censorship. I find that the press of Melbourne did not publish to-day a single word concerning the discussion that took place in the House yesterday about the deportation of Italians, and I have the best of reasons for believing that the Censor instructed the press to make no mention of the matter. I read papers from England and America, and I assure honorable members that in those countries there is nothing like the restriction upon the press that is imposed in Australia. We are keeping the people in the dark, and no good military purpose is served thereby. A great deal of unrest and disturbance is occasioned in the community by the manner in which the censorship is conducted; and no one can persuade me that the Minister for Defence knows nothing about what is being done. I believe that he, in the absence of the Prime Minister, is responsible for the censorship. I sincerely hope that the Government will look into the matter.

Mr. WISE (Gippsland—Honorary Minister) [3.57].—On Wednesday I promised the honorable member for Yarra (Mr. Tudor) that I would obtain a reply to a question he asked in regard to unemployment at the Lithgow Small Arms Factory. I am now in a position to supply the following answer:—

Two of the four barrel-setters whose absence from work was the means of rendering most of the employees idle have returned to duty on conditions laid down by the manager. With the assistance of these men and two setters who remained loyal to the Department, together with other men who are being trained in barrel-setting, arrangements have been made for a resumption of work. It is unlikely, however, that the same number of men will be employed as existed before the strike, the reason for this being that the satisfactory position of Australia in regard to supply of rifles renders it possible to abolish the greater part of the second shift. This has also been made possible by the bringing into use of the duplicate plant ordered some time ago, and by improved methods introduced from time to time. In accordance with the policy of the Government, preference to returned soldiers and to men ineligible for active service is being given effect to. When these have been exhausted, then preference will be given to married eligibles. It is unlikely that any positions will be available for single eligibles formerly employed, with the exception, perhaps, that certain men possessing special qualifications will have to be retained for the time being, until returned soldiers competent to fill their places are available.

It cannot be expected, however, that there will be a wholesale resumption of work, as it takes time, after a prolonged disruption and re-organization now being effected, before all the men required can be started at their work. It is a gradual process, but every effort is being made to employ the maximum at the earliest possible moment.

The Minister does not see how it can be alleged that victimization is being practised, seeing that the manager is re-engaging men in accordance with the policy of the Government, which is that returned soldiers and persons ineligible for active service abroad are to receive preference over others.

The honorable member for Cook (Mr. J. H. Catts) asked me to-day to ascertain from Senator Pearce the publication to which he referred when he said that the honorable member had quoted from a pro-German journal, published in the United States before that country entered the war. The Minister has informed me that he was referring to the honorable member's quotation from the *Chicago Tribune*, and he assumed from the nature of the quotation that that journal was pro-German, as no person loyal to the Allied cause would try to create distrust and dissension among the Allies. He

finds that he was in error in saying that the quotation had been published before America entered the war.

Mr. TUDOR (Yarra) [4.2]. — The state of affairs indicated by the reply of the Honorary Minister regarding unemployment at the Lithgow Small Arms Factory is very serious for the employees concerned. Apparently, the managers of that establishment do not know their own minds upon any question. A few months ago the Acting Prime Minister, when Minister for Works and Railways, visited Lithgow for the purpose of dealing with the housing question. Presumably, he was given to understand that the then activity of the factory represented its normal condition, and that owing to the great number of employees it would be necessary for Parliament to provide money for the housing of the men and their families. Now we are told by the manager that, in all probability, the factory will never again be able to employ the same number of men, because of the abolition of the second shift. I have always been opposed to working any establishment for more than one shift of eight hours, but less than three months ago the Minister was asked to provide increased housing accommodation, and now we are told that a great number of the men are not likely to be required. I have received from the secretary of the employees union at Lithgow the following letter, dated 27th April:—

The barrel-setters have resumed work from last Friday week. There is very little alteration in the re-engaging of the men up to the present. There are 950 men still unable to secure employment. There has been no effort put forward by the Department or the management to reinstate the men who were put off owing to the late trouble. It seems to me that economic conscription is rampant in its very worst form. Only returned soldiers are put on, with a few exceptions of married men, whom they say are indispensable men. Single men are told point blank that there is no possible hope for them. Married men who have large families are asked to produce reject papers before they are re-engaged. Even men at this present stage are being put off who have been working at the factory for years, married men in particular, with families, who are being replaced with returned soldiers. I have asked the Department to supply the union with the names of the men whose services are no longer required at the factory, and I cannot get one name submitted to me. The members consider it an unjust position for the Defence Department to take up. There has been no satisfaction given to the union officials by the manager; every time a deputation waits on the management, it is always referred to the Defence Department,

with the result that they are playing one Department off against the other. There are instances where complete strangers are put on in place of men who have previously worked there four, five, and six years. Victimization is also being resorted to to men who have taken an active part in unionism. Everything is far from being satisfactory. There are a terrible lot of distress cases caused by this trouble. It is going on ten weeks now since the stoppage took place, and no satisfaction yet as to when the factory is to resume normal conditions. The above union is anxious for you to place the whole matter before Parliament at your earliest convenience.

At the Recruiting Conference which commenced three weeks ago, certain suggestions were put forward for the promotion of harmony in the community, and I informed the Conference that the victimization of men eligible for military service was one of the causes of discord. I yield to no man in my admiration of the men who have done their share at the Front, and I desire to deal fairly with them. But I know of single returned soldiers who have replaced married men who had been doing temporary work in some of the Departments. One single man came to me, and said: "What can I do? I do not wish to take a married man's job, but if I do not take it it will be given to another single man." The Government have no right to victimize married men. I said at the Conference that there should be no economic conscription, and the Prime Minister, acting in behalf of the Commonwealth and State Governments and the private employers, wrote against that condition the one word "Agreed." When the strike occurred at the Small Arms Factory, the union ordered the men to resume work. Though they were not absent from the factory many hours, when they returned to it they were told that there was no work for them; and the married men who were previously employed in the establishment are now required to produce reject papers before they can be reinstated. I am going to address a recruiting meeting with the Acting Prime Minister on Monday night, but I say that while grievances of this kind exist we cannot hope that our efforts will bear much fruit. Only the other day I was informed, in reply to a question which I put upon the business-paper, that—

In accordance with the policy of the Government, preference to returned soldiers and to men ineligible for active service is being given effect to. When these have been exhausted,

then preference will be given to married eligibles.

Last week, when the Massey-Harris Company dismissed the single men in their employ, they received a reprimand from the Honorable W. Brooks, the President of the Employers' Federation in New South Wales. He said that such action was opposed to the agreement which was arrived at by the recent Recruiting Conference. I ask the Acting Prime Minister to see that that agreement is also respected by the Small Arms Factory.

Mr. BRENNAN. (Batman) [4.8].—I had hoped that with the departure of the Prime Minister for another sphere we would have secured some reform in regard to the mischievous operation of the censorship. The attitude of the Government and of the Acting Prime Minister during the past few days does not inspire me with very much confidence in that direction. I cannot express disappointment that the speech which I delivered here yesterday was not reported in the public press to-day, because I pointed out at the time that, owing to the iniquitous operation of the censorship, no reference would be made to my address. Only a few weeks ago I attended a meeting in the Democratic Hall, Exhibition-street, Melbourne, at which 3,000 persons were present. That gathering was marked by extraordinary enthusiasm and unanimity. On that occasion I had the honour of associating myself on the platform with three other members of Parliament. And, although we are Labour men, who hold certain views upon international questions, we are, I would remind the House, still members of this Parliament, although one would scarcely think so. We are here by the votes of the people, and not by accident. The only reference which was made to that great meeting of citizens, to which I have referred, and to the addresses which were delivered by four members of this Parliament, took the form of a very laboured and heroic joke on the part of the *Age* reporter in regard to the difficulty which I was alleged to have experienced in reading a certain resolution. The object of the gathering was not even mentioned. I wish to warn the Acting Prime Minister that he must not imagine that public indignation outside does not exist merely because nothing is said about it in the press. He must not think that in

this country he can employ armed soldiers with fixed bayonets to swoop down like wolves upon their prey, and to invade the houses of peaceful Italian citizens with impunity. Hitherto it has been said that the Englishman's home is his castle. But it cannot be said that the Italian's home in this country is his castle because of the differential treatment that is meted out to him.

Mr. PIGOTT.—The Italian is fighting for his country.

Mr. BRENNAN.—The honorable member should be fighting for his country. He should do something more than employ his agents to go into the homes of Italian residents and take away the bread-winners from them. The maledictions of the women and children who have been thus outraged will possibly follow the authorities responsible for this treatment to their graves.

Mr. WATT.—Other maledictions will follow other people.

Mr. BRENNAN.—I suppose that some of them will follow me. But I disregard that fact. I shall do my duty, as I have always tried to do it, no matter what may be the consequences.

Mr. WATT.—I hope that the honorable member will give honorable members on this side of the chamber credit for adopting a similar attitude.

Mr. BRENNAN.—I cannot give the Acting Prime Minister any credit, either for consistency or for common decency, in connexion with this act of violation.

Mr. WATT.—I have not refused any inquiry into the censorship since I have been in charge of the House, which is only four days.

Mr. BRENNAN.—It is not sufficient for the honorable gentleman to say that he has merely adopted a negative attitude. He is perfectly aware that a debate of the very first importance took place in this House yesterday.

Mr. WATT.—I complained of the omission from the press to-day of my own speech.

Mr. BRENNAN.—The honorable gentleman is the Leader of the House, and yesterday he delivered a speech here which was of the very first importance—

a speech regarding our international relations, our duty to the persons who are domiciled here, and to Britain and our Allies. Yet not one word of that deliverance is reported in the public press. How, then, can the people of this country be wisely informed upon these matters? I cannot understand how the honorable gentleman can pretend to justify his position as head of the Government by merely saying, "I have not done so-and-so. I have not denied the right of honorable members to inquire into the censorship." It is for him to take definite action to insure that this gross abuse is removed from Australia.

Mr. FALKINER (Hume) [4.14].—I wish to draw the attention of the Government to the unnecessarily severe action of the military authorities in a case which has been reported to me. The facts are as follow:—Private Tom Whitton enlisted from Borea Creek, in the Riverina electorate, shortly after the outbreak of war. After serving in Gallipoli, he was sent to France, where he lost both legs by a German shell. He is at present in the Randwick Hospital, Sydney, and has to be wheeled about. The military authorities refuse to give him his back pay, and say that he is a deserter. His desertion, I understand, consists of his having gone from Egypt to Gallipoli with his pals, and without authority. He was punished for this offence by imprisonment for fourteen days. Seeing that he has been punished, I say that he has expiated his guilt. He is entitled to his back pay, and should certainly get it.

Mr. MATHEWS (Melbourne Ports) [4.15].—In to-day's issue of the *Age* there is a leading article dealing exhaustively with the work of the Repatriation Department, and setting forth that some thousands of soldiers have been satisfactorily handled. This morning several returned soldiers waited on me and asked why they could not be dealt with as others had been. The Minister for Repatriation ought to make it possible for every returned soldier to go to an official who can deal with his claim. I have seen the Director of Repatriation (Mr. Lockyer), who is one of the best officials the Commonwealth has ever had, and who is doing his best for these men. Indeed, I believe he has injured his health in devoting himself as he has done to the

work of his Department. The fact remains, however, that there are returned soldiers who to-day cannot reach the proper official to deal with their claims. They go to the State War Council's offices in Jolimont and are received, perhaps, by a young man, who gives them certain papers to fill in. They are then sent to a doctor for examination as to their physical condition. Instead of examining them, however, the doctor, after glancing at them, says, "You are fit for light duties. Go and register." If they register for light duties, they receive an addition of 7s. per week to their pension. We are told that the Repatriation Department is endeavouring to allocate men to situations for which they are fitted, and that if their health is impaired they will be trained in suitable occupations. Some have been so trained, but there are others who can obtain no help in that direction. I cannot do more than tell these men to appeal to the State War Council, and if that Council is not able to give them the attention they deserve, it is up to the Government to augment its staff or to introduce a more effective system. In any event, when a returned soldier is sent by the Repatriation Department to a doctor for examination as to his physical condition, the least that can be expected of that doctor is that he shall give them something more than a mere superficial examination. If this state of affairs is to continue, it is the Government, and not the Opposition, that will be condemned.

Mr. PIGOTT (Calare) [4.18].—I desire to bring under the notice of the Acting Prime Minister the unfair treatment meted out to country racing clubs as compared with that extended to the racing clubs of the capital cities. Racing in Sydney has been reduced by 50 per cent., but forty-eight race meetings, or twelve for each club, are still allowed for the year. Country racing clubs, whose custom it has been to hold three or four every year, are, however, denied the right to hold one meeting. The secretary of the Western District Racing Association of New South Wales has written to me that racing clubs at Cowra, Canowindra, Bathurst, and Mudgee, as well as in seven or eight other country centres, have been denied the right to hold a meeting. If

pony racing is interfering with recruiting, then it might be a good thing to stop it altogether; but if it is allowed in Sydney and Melbourne, surely an occasional meeting should be allowed in country districts? I ask the Acting Prime Minister to look into the matter. I have seen the Minister for Defence (Senator Pearce) in regard to it on several occasions, but cannot obtain any satisfaction from him. I understand that quite a number of representatives of rural electorates have had complaints of this character brought under their notice.

Mr. FINLAYSON (Brisbane) [4.20].—I wish to refer to a matter to which attention has already been drawn by the honorable member for Batman (Mr. Brennan). I ask the Acting Prime Minister to seriously consider the position in which honorable members are being placed by the present exercise of the censorship. We had indulged in the hope that there was to be some relief, and honorable members naturally feel resentful when they find that instead of any relief there is actually an extension of the trouble. Up till recently, at all events, speeches made in this House were protected from the censorship. We presumed that statements made by us in the House would be entitled to the same protection outside. We now discover that our constituents are not to be allowed to know what their representatives say here.

Mr. WATT.—That is not new. Ever since the war broke out the parliamentary utterances of honorable members have been liable to censorship.

Mr. FINLAYSON.—But there has been an extension of the censorship. It now applies to speeches made in the House.

Mr. WATT.—When we were in Opposition quite a number of debates which took place in the House were not allowed to appear fully in the press.

Mr. FINLAYSON.—I believe that is so, and it was much against the wish of the majority sitting behind the Labour Government of that day that such a censorship took place. It was the result of the exercise of the autocratic power of the present Prime Minister.

Mr. WATT.—But I am speaking also of the time when Mr. Fisher was Prime Minister.

Mr. FINLAYSON.—During his *ré-gime* the censorship was very mild.

Mr. WATT.—Perhaps so; but what I say was done did actually occur.

Mr. FINLAYSON.—There has been no restriction whatever on the circulation of honorable members' speeches until within the last month.

Mr. WATT.—That is not so. In many cases parliamentary utterances have been cut out of the press.

Mr. FINLAYSON.—I admit that.

Mr. CONSIDINE.—But was *Hansard* interfered with?

Mr. WATT.—Yes; before our time.

Mr. FINLAYSON.—I am not complaining of the censorship of press reports of our speeches. We are accustomed to the press not only restricting their reports of our speeches, but misrepresenting them.

Mr. WATT.—I well remember a speech delivered in this House by Sir William Irvine which was censored in *Hansard*.

Mr. CONSIDINE.—Who was in power at that time?

Mr. WATT.—I forget for the moment, but it was a long time before we took office.

Mr. GREENE.—I remember the circumstances very well. It happened while Mr. Fisher was Prime Minister.

Mr. FINLAYSON.—I accept the honorable member's statement, but I should like some corroboration of it. I had no idea that any such censorship was exercised. When I was sitting behind the Labour Government I protested just as strongly as I have done in Opposition against the exercise of the censorship in such a way.

Mr. GREENE.—Sir William Irvine stated at the time that he knew what he was about to say would not be allowed to appear in *Hansard*.

Mr. BRENNAN.—I think he requested its omission.

Mr. GREENE.—No; he did not.

Mr. FINLAYSON.—Apart from that, we all had hoped that there was going to be not exactly an abandonment, but at least a relaxation of the Censor's restrictions. We find, however, that there is an extension of them. The matter has already been referred to in questions put to the Acting Prime Minister to-day. The honorable gentleman cannot be expected to know of everything that is going on,

and to that extent I do not propose to attach any blame to him. It is not enough for honorable members to be told by the Acting Prime Minister that he does not know by what authority these things are being done, or who are doing them. Some responsible Minister must be instructing the censor, and what we want to get at is whether the instructions have been stiffened lately, or whether the censor is himself exercising wider powers. We have a perfect right to know who is the Minister to whom we can apply for redress. What was censored last week out of my own speech, made in the House, is matter that had already appeared in public prints in Great Britain, and I am advised that it has also appeared in certain newspapers in Australia.

Mr. WATT.—Do you mean that it was censored from the press or from the columns of *Hansard*?

Mr. FINLAYSON.—Neither; it was censored from the reprint of a speech of mine in this House. I am certain that what has been excised by the censor will appear in the official *Hansard*, but I desired, according to an ordinary practice, to have my speech reprinted for circulation amongst my constituents. I cannot do that without the permission of the censor, who has refused to allow me to reprint certain extracts that I quoted from Home papers. At the same time *Hansard* circulates with those extracts in them.

Mr. JOWETT.—I heard the honorable member make one quotation from a paper he called the *London Herald*.

Mr. FINLAYSON.—I read the extracts from Home papers that I had in my possession. I accept the responsibility for them as correct verbatim quotations, although I do not necessarily identify myself with them. Can the Acting Prime Minister justify the stoppage of the circulation of those things amongst my constituents in a reprint of my speech when they are already public property?

Mr. CONSIDINE.—The censor did not stop your comments on them.

Mr. FINLAYSON.—That is the joke of it. He has cut out certain interjections of the honorable member for Grampians (Mr. Jowett), which shows the vindictive spirit in which the censorship is being exercised. Will the Acting Prime Minister inquire into these matters, and see if it is not possible to afford the debates in this House reasonable protection

against the stupid censorship now existing? It is obviously and utterly foolish to suggest that any quotation I made would affect recruiting or prejudice the cause of the Allies.

Mr. JOWETT (Grampians) [4.30].—I support the remarks of the honorable member for Calare (Mr. Pigott) on the question of the proposed wholesale suppression of country racing while such an enormous amount of racing is being allowed in the more populous centres, particularly the great seaport towns and capitals of Australia. I am moved to do this largely by an announcement made in the press by the Minister for Defence, that he intended to abolish, or largely curtail, what are known as unregistered race meetings in the country centres. No doubt, the term "unregistered" is technically correct. These unregistered meetings—so called—are largely amateur, and almost entirely conducted for raising funds for patriotic purposes. They are almost invariably in the hands of leading citizens of repute, who are elected because they are trusted by the residents. They are not held for any profit or gain whatever. Many people feel that racing in Australia is being carried on now to an excessive extent in view of the war. I hold that view myself, and, as a representative of a country electorate, I shall be quite prepared to see every country race meeting abolished until the end of the war, so long as the same is done in the city. Australian race meetings can be divided, roughly, into three classes: first, the country race meeting such as I have described, which is the most innocent and innocuous of all, and gives the most pleasure with the minimum of harm and evil; secondly, the great race meetings in the large cities, conducted by clubs and committees, without any hope of profit to those running them; and thirdly, the proprietary race meetings in or near the populous centres. Any further restriction of racing that takes place in Australia should be applied first to the proprietary courses. I wish to say nothing derogatory to the gentlemen conducting them, except that experience all over the world is that sport to be carried on to the highest degree of benefit with the minimum amount of evil should be controlled by people who obtain no profit or gain whatever from it.

Mr. WATT.—That is not the American experience.

Mr. JOWETT.—I can give the honorable member the American experience.

Mr. WATT.—Baseball was notorious.

Mr. JOWETT.—I will deal with horse racing in New York State, that I know something of. It was in the hands of proprietary courses or clubs, and fell to such a low ebb that the only way in which it could be redeemed and put on a fair and honest basis was by creating a club similar to the Jockey Club of England. I was there when that club was formed, about three years ago.

Mr. WATT.—They have wiped it out since then.

Mr. JOWETT.—Horse racing itself may have been abolished there by the creation of a public conscience, which considered that it should not be carried on in time of war. At that time a number of gentlemen met who were trusted by the whole of the people of the State as the most honorable and upright men connected with racing. They formed themselves into the New York Jockey Club, and the total number of members was limited to fifty. When the number fell below fifty, it was not necessary to fill any vacancies, unless a man could be found who was in every respect suitable and trustworthy. This body took over the entire control of racing in New York State.

Mr. CONSIDINE.—Who chose the fifty men?

Mr. JOWETT.—I am not informed of all the details. Racing had fallen so low in that State that it was recognised that the only way in which it could be purified and put on an honest basis was by adopting the course I have described. I mention the matter to show how opposed the action taken in America was to the principle of proprietary racing. If any further reduction is made in the number of racing fixtures in Australia, the first to be abolished should be those connected with proprietary courses. When they have been dealt with, it will be time enough to consider the wholesale abolition of racing in country centres.

Mr. WALLACE (West Sydney) [4.38].—I wish to briefly refer to the censorship, of which I am one of the latest victims. It seems to me that the censor does not exercise sufficient intelligence. According to the Acting Prime Minister, the report of a recent speech made by me in this House was censored for military rea-

sons, though I cannot see how the publication of what I said could affect the conduct of the war. The *Age* of the 26th April gave my remarks a fairly large amount of space, for which I am duly grateful. The main features of my speech are set out in that report, of which I will read this portion—

Mr. SPEAKER.—The honorable member is not at liberty, on the motion of adjournment, to revive a previous debate in the House.

Mr. WALLACE.—Then I content myself with saying that members who are interested in the subject can read the *Age* report. The censor in his note to a newspaper which wished to reprint my remarks from *Hansard*, said that the references to the Sinn Fein organization and the case of Father Jerger could not be published. That leaves me in this position: The *Hansard* report of my speech will be widely circulated, but I shall not be allowed, in addressing a public meeting, to answer any questions regarding it, nor to refer in any way to the matters which have been censored. This is carrying matters too far. I do not object to the censoring of any statement likely to benefit the enemy, or to cause strained relations between the Empire and its Allies. The abuse of the censorship is assuming gigantic proportions, and this should be stopped. Who has control of the censorship? With regard to the reprinting of the *Hansard* reports, I would suggest that all questions of censorship might be referred to a Committee consisting of two members from each side of the House. We should then get fair decisions. Otherwise it may happen that the political opinions of members of this party will be wholly suppressed by the censor, with the result that twenty-two men, who represent Labour in this chamber, will be muzzled, and might as well not be here.

Mr. WATT (Balaclava—Acting Prime Minister and Treasurer) [4.42].—Several minor matters have been referred to; but as those who raised them have left the chamber, I take leave to pass them over for the present.

Two major matters were dealt with at some length. The comparison of the privileges in the matter of racing given to town and country is important, and I

share largely the sentiment expressed by several members, that, to the extent that there is curtailment, town and country should be treated alike. I am of the opinion that, generally speaking, country racing is more innocent than town racing, though I do not go so far as the honorable member for Grampians, who seemed to think that no evil thought or deed is possible on a country race-course. I advise him to read "Banjo" Patterson's "*Idyll of Dandaloo*" as an antidote to that opinion. Broadly speaking, town and country should be treated alike in this matter.

Of the censorship, two gentlemen have spoken in respectful terms and one in disrespectful and unwarranted language. The manner of address adopted by the honorable member for Batman (Mr. Brennan) was unworthy of a member of the House. He seems to think that a Minister should be able to straighten everything in a Department within forty-eight hours of his assumption of office. At the pace at which we Ministers have been working here and in the Departments, it has been impossible to investigate fully all of the many problems that have been thrust before us. To-day for three-quarters of an hour we were peppered with questions without notice. I take leave to tell honorable members quite clearly that henceforth I shall ask Ministers to answer, without notice, only urgent questions. Honorable members have many facilities to ask, with due notice, all questions that are not pressing.

On the question of the censorship we have recently had two Conferences which dealt with the matter, one exclusively, and the other incidentally. The Conference which dealt with it exclusively was a gathering of the most responsible representatives of the press world of Australia. The Conference sat in Melbourne for many days. The members heard the points of view of the Departments of the Navy and the Military, the Departments most interested in the war activities and the preservation of the war spirit. They learned, for the first time probably, though they should have learned it from the start of the war, that what the Government are aiming at is one definite policy. They were able to appreciate the difficulties confronting the Government in connexion with the matter, and they

agreed to co-operate henceforth with the Departments concerned in a proper discharge of the censorship function. I hope that the machinery that is about to be set up, as the result of the deliberations of the Press Conference, will give rise to less of the kind of complaint that we have had to-day. But that does not deal finally with some of the matters which affect honorable members opposite.

Mr. CONSIDINE.—It does not touch the political censorship.

Mr. WATT.—I am about to refer to that. I hope that as a result of the Press Conference, and the co-operation of the press and the Government—and when I say the press, I refer to it without distinction of party, because there were sitting at the Press Conference representatives of journals as wide apart politically as are the *Sydney Morning Herald* and *The Worker*—we shall have less complaint of the censorship generally than we have had in the past. The members of the Press Conference were intrusted with information which the Government felt that they should have, in order that they might see exactly what is being done in Great Britain and Australia, and might determine upon a working basis for the future. That, I think, is not only possible, but will probably be achieved in the near future.

There arose incidentally out of the Recruiting Conference summoned by His Excellency the Governor-General quite other requests with which my honorable friends opposite are probably more concerned. The question of the utterances of public men, and the way in which they should be treated, was considered. There are utterances of the kind which are on the border line of the political and the military. My honorable friends opposite will not need any explanation of what that means. The honorable member for West Sydney (Mr. Wallace), as a politician, speaking through this House to his constituents and the country generally, may often refer to matters which vitally concern the Military Department. On the other hand, his remarks may also have a strong political bearing, and the two may merge in an indistinguishable line. It was proposed at the Recruiting Conference to set up some tribunal representative of political parties in this Parliament which would determine cases of that kind.

Mr. CONSIDINE.—How are we to remedy what we regard as military abuses

if our utterances are considered to be militarist utterances, and as such may be censored?

Mr. WATT.—In my view, some such remarks, if censored, would be improperly treated. I can quite conceive that remarks of the kind might greatly help the Government to remedy evils in the Army or in the Navy, and such remarks will be welcomed, and publicity given to them, provided that the information supplied is not of use to the enemy. That is a vital consideration in connexion with such utterances. From the other side of the Chamber I have in the earlier stages of the war directed the attention of the Minister for Defence to mistakes in connexion with camp life and matters of that kind, with the object of helping the Administration. Criticism is often most helpful, even though the motive may not be to help. In matters of that kind the function of the censorship should be operated with great care.

On the question raised by the honorable members for Batman (Mr. Brennan) and Brisbane (Mr. Finlayson), that statements published in the Old Country can with safety be published here, let me say that there is a deep fallacy in that argument. It is possible often to say things in a country that has adopted conscription that it would be quite improper to say in a country that has refused to adopt that system, because the publication of such statements might vitally affect the recruiting movement. In a conscriptionist country the need for care to preserve voluntary recruiting does not arise, because they do not need it since they conscript. Here we depend entirely on the good will and co-operation of all classes, and above all, of the working classes, who form the bulk of the community, for the success of the voluntary system, and we must, therefore, be very careful about what utterances are published, because of their possible influence upon recruiting. I ask honorable members opposite to in future keep that distinction before their minds.

Mr. CONSIDINE.—There is a very wide scope for the exercise of the censorship when the censor may construe any statement as one likely to be prejudicial to recruiting.

Mr. WATT.—I quite admit that phrases such as "prejudicial to recruit-

ing," "harmful to the Allies," and "against the interests of the Empire," must be interpreted by the censor with considerable discretion and judgment. Honorable members must not forget, however, that the human element has to be reckoned with in the administration of all regulations. I have known cases of the exercise of the censorship, in which my interpretation of the regulation would have differed from that of the censor. The Government while accepting responsibility, as they must do, for all that the censor does, do not necessarily approve of his every act or judgment.

Mr. CONSIDINE.—There should be some one over the censor.

Mr. WATT.—That merely means the superimposition of another authority—a deputy censor and a chief censor, and so on *ad infinitum*. We have a man in charge of the censorship who is responsible to the Government.

Mr. CONSIDINE.—The difficulty is that there is no one responsible to us.

Mr. WATT.—I find that by answering interjections one invites others. Let me refer now to the question raised with respect to the debate on the conscription of Italians resident in Australia. I have no knowledge as to why that debate was excised from the public press, but I draw my own conclusions. From one point of view, some of the speeches delivered here on that subject would be very informative to the public had the censor permitted them to be published. The reason which in all probability induced him to censor them was that their publication might easily be harmful to the relations between this branch of the British family and the Italian nation. We have to be careful that the principles and spirit which cement the Allies together are not wantonly broken or risked. If the censor, in the discharge of his public responsibility, considers that a statement is not harmful to recruiting, is not dangerous to the British Empire, or destructive of the spirit of our alliance with other nations, he ought not to prohibit its publication. I am hopeful that in the near future we shall have achieved a censorship which will be mutually satisfactory to all parties in this House.

Question resolved in the affirmative.

House adjourned at 4.54 p.m.

Members of the House of Representatives.

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Abbott, General Percy New England	Kelly, Hon. William Wentworth (N.S.W.)
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Best, Hon. Sir Robert Kooyong (V.)	Maloney, William .. Melbourne (V.)
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Blakeley, Arthur .. Darling (N.S.W.)	Chester
³ Boyd, Hon. James Arthur Henty (V.)	Mathews, James .. Melbourne Ports (V.)
Brennan, Frank .. Batman (V.)	Maxwell, George Arnot .. Fawknor (V.)
Burchell, Reginald John Fremantle (W.A.)	McDonald, Hon. Charles .. Kennedy (Q.)
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⁴ Charlton, Matthew .. Hunter (N.S.W.)	Nicholls, Samuel Robert .. Macquarie (N.S.W.)
Considine, Michael Patrick Barrier (N.S.W.)	Orchard, Hon. Richard Nepean (N.S.W.)
Cook, Right Hon. Joseph, Parramatta (N.S.W.)	Beaumont
P.C.	Page, Hon. James .. Maranoa (Q.)
³ Corser, Edward Bernard Wide Bay (Q.)	Palmer, Albert Clayton .. Echuca (V.)
Cresset	Pigott, Henry Robert Calare (N.S.W.)
Falkiner, Franc Brereton Hume (N.S.W.)	Maguire
Sadleir	Poynton, Hon. Alexander Grey (S.A.)
Fenton, James Edward .. Maribyrnong (V.)	Riley, Edward .. South Sydney (N.S.W.)
Finlayson, William Fyfe .. Brisbane (Q.)	Rodgers, Arthur Stanis- Wannon (V.)
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gomerie	Ryrie, General Granville North Sydney
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Witty	Sampson, Sydney .. Wimmera (V.)
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⁷ Irvine, Hon. Sir William Flinders (V.)	Alexander
Hill, K.C.M.G., K.C.	Webster, Hon. William .. Gwydir (N.S.W.)
Jensen, Hon. Jens August Bass (T.)	West, John Edward .. East Sydney (N.S.W.)
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Elliot	Yates, George Edwin .. Adelaide (S.A.)
⁶ Jowett, Edmund .. Grampians (V.)	

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1. Deceased reported 17th June, 1917.

2. Elected 30th June, 1917. Sworn 11th July, 1917.

3. Sworn 11th July, 1917.

4. Appointed Temporary Chairman of Committees, 18th July, 1917.

5. Deceased reported 18th September, 1917.

6. Elected 27th October, 1917. Sworn 9th January, 1918.

7. Resignation reported 5th April, 1918.

8. Sworn 19th April, 1918.



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B. HARRY FRIEND,
Principal Parliamentary Reporter.

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